

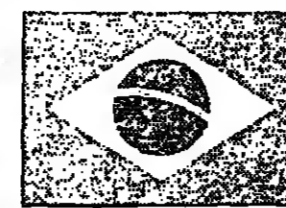
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London



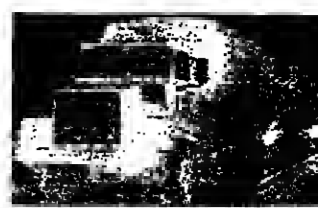
**G7 meeting**  
Applying a bandaid  
to Russia  
Page 3



**House of Fraser**  
Applying a bandaid  
to Russia  
Page 3



**Brazilian monarchy**  
Country votes on  
royal restoration  
Page 11



**Bosnia**  
Rough ride from  
Split to Tuzla  
Page 2

# FINANCIAL TIMES

Europe's Business Newspaper

THURSDAY APRIL 15, 1993

## House of Fraser sells Sears stake for \$90m loss



(Left) was in financial difficulties were "entirely untrue", said Michael Cole, a House of Fraser director. Page 16

**VAT may fund US health reforms:** A value added tax is being considered as one way of financing the Clinton administration's plans for health-care reform, a senior official said. Page 6

**Peace plan threat:** Bosnia's Muslim-led government warned it would withdraw support for the international peace plan if the besieged town of Srebrenica was captured by Serb forces. Page 16; Guns and butter on road to Tuzla, Page 2; Editorial Comment, Page 15

**Car sales slides:** New car sales in west Europe fell to 1.18m from 1.3m in the same month a year earlier. Demand showed a steep drop for the third month in succession. Page 2

**Mideast talks:** Arab delegations to the Middle East peace talks will wait until Saturday before deciding whether to attend the next round of negotiations due in Washington on Tuesday. Page 4

**Tokyo cautious on upturn:** The Japanese economy will start to recover only gradually towards the end of 1993, in spite of the government's ¥13,200bn (\$114.8bn) emergency spending programme announced this week, Bank of Japan governor Yasuhiro Mieno cautioned. Page 4

**Hong Kong shares climb:** The Hang Seng index surged 371.53 points to a record high of 6,789.74 after the announcement of a date for Sino-British talks on Hong Kong. Page 4; Lex, Page 16; World stocks, Page 36

**German jobs warning:** Up to 100,000 workers could lose their jobs in eastern Germany if IG Metall, Germany's engineering union, calls a strike to support of large pay increases, the German employers' association leader warned. Page 2

**Pakistan PM told to end crisis:** Pakistani president Chaudhry Ishaq Khan told prime minister Nawaz Sharif to end a crisis that threatens his government. Page 4

**Veba boss dies in Tyrol:** Klaus Piltz, chairman of Veba, Germany's fourth-largest industrial group, was killed by an avalanche on Easter Monday while skiing in the Austrian Tyrol. Page 2

**Moscow treason trial starts:** Twelve former Soviet and Communist party leaders went on trial in Moscow charged with high treason for organising an abortive coup in 1991. Page 3

**Khmer pull-out sparks fears:** The withdrawal of Khmer Rouge officials from the Cambodian capital has raised fears that the guerrilla group will step up attacks across Cambodia ahead of next month's UN-sponsored elections. Page 4

**Royal Trustco, crippled financial services group** controlled by Toronto's Brindley family and facing takeover by Royal Bank of Canada, reported a record net loss in 1992 of C\$562m (US\$676m). Page 15

**Interagra, French farming products business** which was a leading supplier of grain and food to eastern Europe during the cold war, filed for bankruptcy protection. The Paris Commercial Court will rule next Tuesday. Page 16

**Digital Equipment, second-largest US computer** company, reported larger than expected net losses of \$30.1m, for the third fiscal quarter. But higher revenues and declining costs were pointers to recovery. Page 17

**Lyonnaise des Eaux-Dumez, one of France's** largest industrial groups, reported net profits of FF179m (\$29.4m) last year, sharply down on the 1991 figure of FF17.1bn. Page 17

**Adams seeks US visa:** Gerry Adams, president of Sinn Féin, the IRA's political wing, has applied for a visa to visit the US. He says he is optimistic the Clinton administration will grant him one.

STOCK MARKET INDICES		STERLING	
FT-SE 100	2842.1 (+4.7)	New York Composite	1,592
Yield	4.01	London	1,592
FT-SE Euroshare 100	1160.03 (+0.30)	DM	1,592 (1,559)
FT-SE All-Share	1393.49 (+0.24)	DM	2.47 (2,482)
Nikkei	20,593.39 (+206.57)	FF	0.3475 (0.325)
New York Composite	1,592.00 (+12.97)	Sfr	2.28 (2,252)
Dow Jones Ind Ave	3,457.00 (+12.97)	Y	177.0 (176.75)
S&P Composite	448.94 (+0.38)	£ Index	80.3 (80.7)
US LUNCHTIME RATES		DOLLAR	
Federal Funds	3.1/4	New York Composite	1,592
3-mo Treas Bill: Yld	2.80%	DM	1,592 (1,559)
Long Bond	10.40	DM	2.47 (2,482)
Yield	6.70%	FF	0.3475 (0.325)
LONDON MONEY		Sfr	2.28 (2,252)
3-mo Interbank	8.75 (8.75)	Y	177.0 (176.75)
1-mo Libor	8.75 (8.75)	£ Index	80.3 (80.7)
1-mo US\$ Libor	8.75 (8.75)	NORTH SEA OIL	
Brent 15-day (May)	\$18.945 (18.99)	DM	1,592 (1,559)
WTI	\$18.945 (18.99)	DM	2.47 (2,482)
GOLD		FF	0.3475 (0.325)
New York Comex Jun	\$340.0 (338.8)	Sfr	2.28 (2,252)
London	\$339.2 (338.5)	Y	177.0 (176.75)
Tokyo	\$340.0 (338.8)	£ Index	80.3 (80.7)

Austria	5000	Denmark	1000	France	1000	Germany	1000	Greece	1000	Italy	1000	Japan	1000	Netherlands	1000	Portugal	1000	Spain	1000	Sweden	1000	Switzerland	1000	UK	1000	USA	1000	West Germany	1000	Yugoslavia	1000
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## Britain will call for curbs on EBRD spending

By Charles Leadbeater in Tokyo, Robert Peston in London and Andrew Hill in Brussels

THE BRITISH government will next week press for tighter controls on spending by the European Bank for Reconstruction and Development following disclosure that it had spent more than £200m (\$302m) on overheads and equipping its building in the past two years.

Mr Norman Lamont, the chancellor of the exchequer, said yesterday he had become so concerned at the level of spending by the EBRD that the government had frequently called for greater

efficiency and economy in the way the bank is run. The call for tighter budgetary controls will come at the EBRD's annual meeting next week and follows disclosures in the Financial Times that the EBRD has spent £56.5m equipping its London headquarters, £50,000 hiring private jets and £52,000 on a Christmas party.

Mr Lamont, who represents Britain on the board of governors and is in Tokyo for the emergency meeting of G7 finance and foreign ministers on aid to Russia, said he would make sure the government's concerns about efficiency would be fully considered

at next week's annual meeting of governors. The EBRD governors are typically the finance ministers of the banks' shareholders, who are the 53 western and East European countries, the European community and the European Investment Bank.

Mr Lamont said several of the bank's 23 governors, meeting informally, have voiced concerns about the EBRD's spending in the two years since it was set up. He indicated the concerns were mainly about salary levels as well as issues such as the use of private jets to ferry Mr Jacques Attali, the bank's president and

founder to meetings. Mr Pierre Pissaloux, the bank's executive director in charge of the budget, said the bank had become aware that spending on the jets was "sensitive". He introduced a new system for hiring jets "a few months ago" by which the bank asks for tenders from three charter companies.

All executives except Mr Attali and the senior vice president Mr Roo Freeman were also told a month ago they had to fly economy class.

It also emerged that the bank's 23 directors, who are civil servant representatives of the shareholders, are pressing for greater

control over the bank's budget-making process. "There is a lack of transparency and accountability," a UK official said. "A specific budget committee should perhaps be set up."

Mr Pissaloux said: "We are very anxious to respond to requests for any additional information from directors."

Founder European Community shareholders of the EBRD are also expected to use next week's annual meeting of the bank to quiz Mr Jacques Attali, EBRD president, about its spending record.

But officials from the European Commission and European

Investment Bank, which together hold 6 per cent of the EBRD's shares, said yesterday they were sympathetic to the difficulties of funding projects in the economic chaos of the old Communist eastern bloc.

Mr Lamont said: "Britain is at the forefront of those calling for economy and efficiency. Sometimes we are in a minority. But we will continue to make these points and we will make sure these points are considered next week."

Mr Lamont said the bank was playing a vital role in the reconstruction of eastern Europe but was only just starting to build up its business.

## US launches \$4bn fund to aid Russian privatisation

By Robert Thomson and Charles Leadbeater in Tokyo

THE US tried to assert its leadership of international efforts to bolster Russian reforms yesterday in launching a \$4bn multilateral fund to promote privatisation.

The Clinton administration announced the proposal at the opening of a two-day emergency meeting in Tokyo of the Group of Seven leading industrialised countries, convened to help strengthen the position of President Boris Yeltsin, the embattled Russian leader.

Mr Andrei Kozyrev, the Russian foreign minister, who will attend the talks today, delivered a warning that the world might "slide back to cold war" without continued western financial assistance to promote reform.

The US proposal is aimed at easing the privatisation of large state enterprises, which are the most difficult to privatise.

Mr Lloyd Bentsen, the US Treasury secretary, said the scheme would free Russia's central bank of some of the burden of converting the huge oil, gas and other leading industries to private control, save thousands of jobs and reduce inflation caused by the bank's issuing of easy credits to state industries.

Mr Bentsen and Mr Warren Christopher, US secretary of state, said the US would provide \$500m for the scheme if other G7 countries provided a total \$1.5bn. The rest would come from international institutions such as the World Bank and the International Monetary Fund.

However, German officials indicated that further large pledges

of money were unlikely, as it had already contributed huge sums to Russian reform. And a senior Japanese official said: "We have already made our best efforts and we do not expect to be asked for further money."

Mr Norman Lamont, Britain's chancellor of the exchequer, said that although the UK agreed with the emphasis on privatisation, "all G7 members would want to consider further how best to pursue that aim". Canadian officials said the proposal would require more study, while the Italians emphasised that the privatisation plan was still a US idea.

Details of the plan will be developed during this morning's closing session, which will be attended by the Russian representatives Mr Kozyrev and Mr Boris Fyodorov, the deputy prime minister. The G7 meeting is expected to approve a package worth about \$30bn, most of which will be debt relief and credit extensions from the IMF that have already been agreed.

Several countries announced new country-to-country assistance yesterday. Japan confirmed that it was offering \$1.8bn in bilateral assistance, mainly trade credits.

The UK said it would provide an additional £350m (\$575m), while the US said its contribution to the privatisation fund would be drawn from a \$1.8bn package, details of which are due to be announced today.

Germany, France and Canada said they would not add to existing bilateral aid. Some ministers

Continued on Page 16  
Details, Page 3

## Six die and 250 are injured in South African rioting

### Police fire on crowds in Soweto protest gathering

By Patti Waldmeir in Soweto

IT WAS the largest and most peaceful demonstration I had ever seen in Soweto - until the shooting started.

Without warning and without apparent provocation, police guarding the main gate of the police station opened fire on demonstrators protesting at the assassination of prominent black activist Chris Hani.

Four people were killed and 250 injured by police firing birdshot, backshot and rubber bullets.

At least six people died across the country during a day which saw one of the largest political protests in South African history, marked by rioting in Cape Town, Port Elizabeth, Pietermaritzburg and Durban.

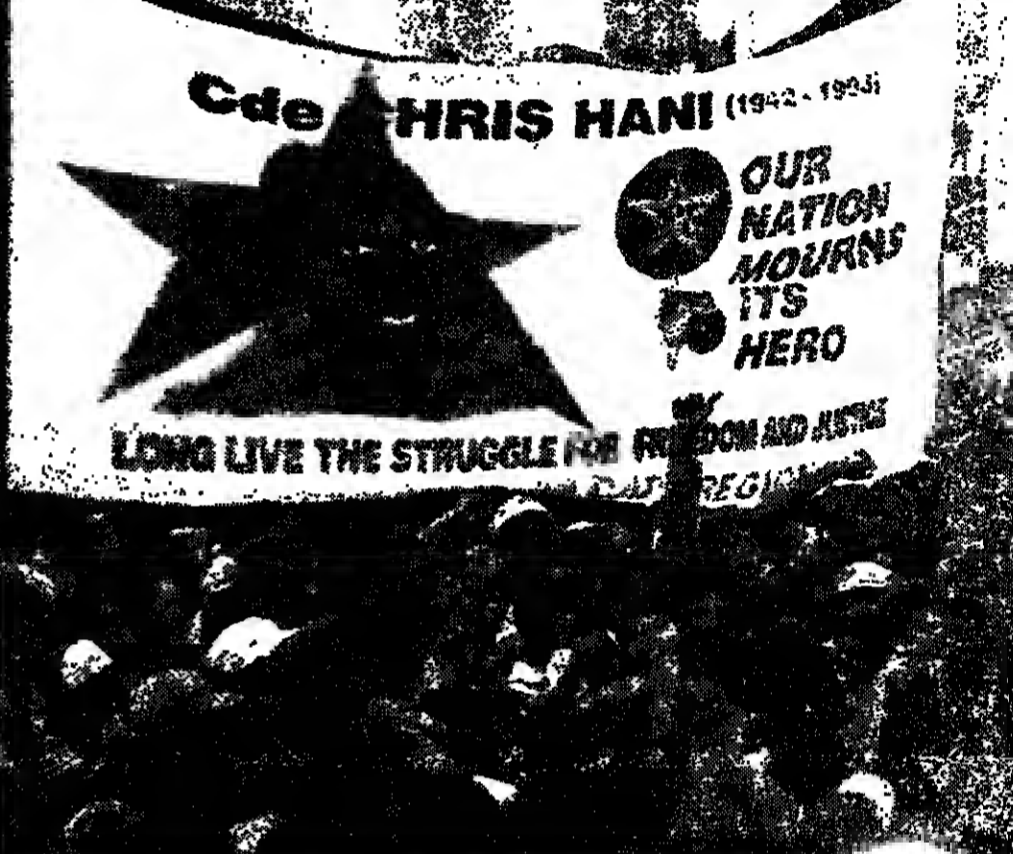
In Soweto, the black township where violence had erupted in 1976, a huge crowd of angry but disciplined blacks surrounded the heavily fortified station.

The mostly young, black and white police force besieged inside appeared to lose their nerve; shooting spread down the line guarding the station's barbed wire perimeter fence. The crowd fled in terror.

Thousands of people, scores of them covered with blood, surged forward.

I took refuge in a car as rocks and teargas canisters flew in the confusion. Colleagues and I helped to lift a young man, his shirt front soaked with blood, into the car. Another injured man fought his way inside; many more people tried to crowd in too. We could not help them.

We raced through the streets of Soweto to deliver our injured to Baragwanath Hospital where 250 people lay injured on stretchers in the car park outside the



South African protesters gather in the streets of Cape Town before yesterday's violence erupted

crowded examination rooms. The young man moaned in pain, clutching a blood-soaked rag to his head.

Sixteen years ago Sowetan youths took to the streets in an uprising that, in many respects, marked the start of the South African rebellion. The fearless prospect of impatient angry youngsters going on the ram-

page, out of control of the African national Congress marshals, seemed to carry the danger of South Africa slipping into ungovernability.

It raised the prospect of confrontation with police, unable to contain their own fear, or to allow the demonstrators to disperse peacefully, which they had already begun to do when the

shooting started. Earlier a young "comrade" from the South African Communist party had celebrated the order and discipline shown by the huge crowd milling outside the station. "This is marvellous, fantastic, unbelievable," he said.

Continued on Page 16  
Six dead in riots, Page 16

## Andreotti immunity inquiry told of Mafia killings link

By Haig Simonian in Milan

MR Giulio Andreotti, seven times prime minister of Italy, yesterday began what could be the toughest battle of his long political career as hearings began into lifting his parliamentary immunity.

The senate hearings opened amid explosive new allegations of collusion by Mr Andreotti, now a Christian Democrat life senator, with the Mafia. Implicit in the allegations is that he was involved in two political assassinations.

New testimony from Mafia informants, revealed by the senate yesterday, includes details of three alleged meetings between Mr Andreotti and senior Mafia figures in the 1970s. The informants also allege that two assassinations attributed to the Mafia were carried out on political

instructions from Mr Andreotti. The murder in 1979 of Mr Mino Pecorelli, a right-wing journalist with links to the secret services, and that of General Carlo Alberto Dalla Chiesa in 1982, the senior Mafia-fighter sent to Palermo, allegedly took place because both were privy to sensitive information regarding the earlier kidnap and assassination of former prime minister Aldo Moro.

The request to lift the immunity of Mr Andreotti was made last month by Palermo magistrates investigating organised crime. This week, the magistrates supplied additional information to support their request after new interrogations of Mr Tommaso Buscetta and Mr Francesco Marino Mannoia, the two Mafia informants now under protection in the US.

The two collaborators, who had

until recently refused to talk about links between politicians and organised crime, also claimed that Mr Salvatore Lima, the senior Christian Democrat politician in Sicily and member of the European parliament, liaised with the Mafia on behalf of the Christian Democrats.

Mr Lima, murdered in March 1992, was a close friend of Mr Andreotti and his main aide in Sicily. It has long been rumoured that his assassination was to show the Mafia's displeasure with the growing unwillingness of senior politicians in Rome to comply with its wishes.

Mr Giovanni Pellegrino, chairman of the senate committee, reacted cautiously to reports that the new testimony could require the reopening of investigations

Continued on Page 16

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## NEWS: EUROPE

## West German GDP could fall by 1.5%

By Ariane Genillard in Bonn

WEST Germany's GDP could fall by 1.5 per cent in 1993 because of the continuing international recession, a relatively strong D-Mark and persistent high domestic costs, the Cologne-based Institute for German Economy (IW) said yesterday.

The report said the current recession could only be overcome if prospects for investment and profits improved and the Bundesbank obtained more room for lowering inter-

est rates. But it warned that unless domestic costs and price pressure are dampened, economic recovery would not begin in 1993.

The report came out as figures released by the federal statistics office showed West Germany's wholesale prices in March increasing by 0.2 per cent against the previous month.

This follows a similar rise in February and a 0.7 per cent increase in January.

In mid-March, West Germany's consumer prices were

0.3 per cent higher than in mid-February, bringing the inflation rate to 4.2 per cent.

In east Germany, consumer prices rose in mid-March by 0.2 per cent to 8.5 per cent.

In its yearly spring report, the IW said investment in machinery and equipment will fall by 9 per cent in 1993. Only the construction sector shows an upward trend, increasing by another 1 per cent this year.

The gloomy forecast was partially offset by brighter prospects in the east where an

"autonomous investment prospect had started."

Real GDP in eastern Germany can be expected to rise by 0.5 per cent in 1993, just slightly less than in 1992, the report said.

AF-DW reports from Bonn: German state governments had a net financing deficit of DM30.3bn (\$18.8bn) last year, DM12.3bn less than had been foreseen, the German Finance Ministry said yesterday.

Mr Jürgen Schörmacher, parliamentary state secretary, attributed the better-than-ex-

pected result to "the positive economic development in Germany, which continued far into last year."

Mr Klaus Pütz, chairman of Veba, Germany's fourth-largest industrial group, was killed in an avalanche on Easter Monday, the company said yesterday. Two of his three children, Uta and Klaus, and a family friend also died in the accident in Oetzal, Austria, Christopher Parkes writes from Frankfurt.

Mr Pütz, 57, took control of the energy-retailing con-

glomerate less than four years ago after the death of Mr Rudolf von Bennigsen-Foerder.

His main contribution to the Düsseldorf-based company was to restructure his predecessor's acquisitions, rather than sell them off as expected. He moulded a group with distinct but interlocking interests in energy, chemicals, petrol stations, retailing, transport and distribution.

He was quick to set up in the former GDR after unification, where Veba was one of the earliest entrants.

## Sharp fall in Euro car sales

By Kevin Done, Motor Industry Correspondent

NEW car sales in west Europe fell by 9.4 per cent last month as demand dropped steeply for the third month in succession.

In the first quarter new car sales declined by 17.3 per cent to around 3.06m.

Sales in March declined to 1.18m from 1.3m in the same month a year earlier according to industry estimates. Demand in March was lower than a year ago in 15 of 17 markets across west Europe with higher sales registered only in the UK and in Greece.

The rate of decline moderated in March following steep falls of 23 and 17 per cent in January and February, but leading carmakers are being forced to lower further their already pessimistic sales forecasts for the full year.

General Motors, the US car-maker, said yesterday it now expected new car sales in west Europe to fall by 11 per cent to only 11.95m this year from 13.45m in 1992 compared with a 1993 forecast of 12.3m.

In Germany, the single biggest market in west Europe, new car sales fell by 14.9 per cent in March to an estimated 363,000. Sales plunged by 21.7 per cent in the first quarter.

Most leading carmakers in Europe have been forced to implement extensive short-time working and are cutting workforces in the face of

shrinking profits or mounting losses.

The rate of decline has accelerated in Italy, where new car registrations fell by 20.8 per cent in March to 190,000.

New car sales in France in March were 9 per cent lower than a year ago, while demand in Spain dropped steeply by 22.7 per cent.

The only significant relief to the downturn across Europe is being shown in the UK, where new car sales in March were 12.7 per cent higher than a year ago. Sales in the first quarter rose by 11.6 per cent.

After plunging by a third during more new car sales in the UK have been higher than a year ago in each of the last six months.

Rover, the UK car producer and a subsidiary of British Aerospace, increased its sales in west Europe by around 11 per cent to 56,000 in the first quarter supported by a 22 per cent increase in volume in the UK.

Volkswagen, Europe's biggest carmaker, which recently disclosed a net loss of DM1.25bn (\$750m) for the first quarter, suffered a 17.9 per cent fall in new car sales in west Europe in the first three months to 515,000.

Mercedes-Benz, the German maker of executive and luxury cars, has been hardest hit with a 29 per cent sales decline in the first quarter.

## WEST EUROPEAN NEW CAR REGISTRATIONS

January-March 1993

	Volume (Units)	Volume Change (%)	Share (%) Jan-Mar 93	Share (%) Jan-Mar 92
<b>TOTAL MARKET</b>	<b>3,064,000</b>	<b>-17.3</b>	<b>100.0</b>	<b>100.0</b>
<b>MANUFACTURERS:</b>				
Volkswagen (incl. Audi, SEAT & Skoda)	515,000	-17.9	16.8	17.0
General Motors (Opel/Vauxhall, USA & Saab)	382,000	-18.2	12.5	12.6
Opel/Vauxhall	367,000	-18.1	12.0	12.1
Saab	10,000	-24.5	0.3	0.4
Fiat (incl. Lancia, Alfa Romeo, Ferrari, Innocenti, Maserati)	374,000	-19.1	12.2	12.5
Ford (Europe, USA & Jaguar)	368,000	-15.6	12.0	11.8
Ford Europe	356,000	-15.7	11.9	11.7
Jaguar	3,000	-2.2	0.1	0.1
Peugeot (incl. Citroën)	367,000	-19.4	12.0	12.3
Renault	325,000	-18.3	10.6	10.7
Nissan	103,000	-14.9	3.4	3.3
BMW	98,000	-17.0	3.2	3.2
Robert	86,000	+11.3	2.8	2.1
Mercedes-Benz	84,000	-29.2	2.7	3.2
Citroën	83,000	-22.5	2.7	2.3
Mazda	64,000	-22.9	1.6	1.9
Volvvo	45,000	-22.9	1.5	1.6
Honda	37,000	-19.0	1.2	1.2
Mitsubishi	34,000	-18.1	1.1	1.1
Total Japanese	364,000	-19.1	11.9	11.3
<b>MARKETS:</b>				
Germany	839,000	-21.7	27.4	28.9
Italy	585,000	-16.3	19.1	18.9
United Kingdom	463,000	+11.6	14.8	11.0
France	403,700	-22.5	13.2	14.1
Spain	175,000	-35.2	5.7	7.3

Notes: Imports from US and sold in western Europe. \*1992 holds 31 per cent and management control of Saab Automobile. \*\*1992 holds a 20 per cent stake in Rover which operates in the UK. \*\*\*1992 and 1993 are linked through minority cross-shareholdings. Source: industry estimates

## Laura Silber travels the war-devastated route aid officials call Bosnia's Ho Chi Minh trail

## Guns and butter on the road to Tuzla

WITH a Sieg Heil salute, the Croat militia man waves the packed car through a check point on the road to Tuzla.

Peering through his sunglasses, he asks the driver for a permit from the Croatian Defence Council (HVO) allowing him to leave Herceg-Bosna, as they call the self-styled Croat state.

War has devastated the infrastructure of former Yugoslavia. A once simple two-hour journey between Tuzla and Belgrade has become a harrowing three-day expedition in which you have to travel a near circle around a shattered country patrolled by gunmen. This war is about territory and control of the roads.

To travel between "free" Bosnia and Serbia involves a 12-hour drive via Split on Croatia's Adriatic coast, a flight via Zagreb, and another drive through Croatia on the Zagreb-Belgrade motorway, watched over for the past year by UN peacekeepers.

Emir, a Moslem worker, shows his pass to the militia man, who has a gold "U" pinned to his uniform - in honour of the Ustashe, pro-Nazi Croats during the Second World War.

Passenger cars, battered lorries and white UN vehicles ply the Tuzla road to and from Split, nicknamed by relief workers the Ho Chi Minh trail.

The road is circuitous, hazardous and above all slow. This lifeline for Tuzla, a region of some 800,000 people, at some points is little more than a rutted dirt track.

It weaves through villages which have been all but destroyed by Serb bombardment. It runs past Mostar, where months of pounding by the Yugoslav army deliberately reduced to rubble most of the centuries-old mosques and churches.



The road to Tuzla

An olive green US army bridge now spans the River Neretva, replacing one of the old stone Turkish bridges, which was knocked out by Serb mortars.

Croat militia men control more check points on the road than their mainly Moslem Bosnian counterparts. They have set up a kitchen table in front of the ruins of Zitomislić, a 16th century Serbian Orthodox monastery, blown up last year.

The guards barely look at the passing cars in an apparent sign of confidence that they are in control of this vital route.

"This is Croatia, from here to the Adriatic," says one closely-cropped soldier in a grey uniform. "It always has been Croatia," he adds, dismissing the Bosnian forces on the grounds as too lightly armed.

Rows of freshly-dug graves fill parks in Breza, a mostly Moslem town in the heart of Bosnia. In anticipation of further Serb bombardments, logs have been used to cover windows not already shattered in the relentless attacks. Villagers haul sacks of flour donated

by international relief organisations.

Moslem children ask the passing convoys for sweets. Refugees crowded into houses wave grimly at the lorries. Some sell knitted socks. They are tired and undernourished. Many have scabies. The blown-up mosques testify to the destruction of their culture.

The route grows narrow in central Bosnia, running through remote mountain passes to avoid Serb artillery and front-lines. Traffic jams are frequent as 10-tonne aid lorries slip off the road or get stuck in the mud.

It can take 24 hours to reach Tuzla from the Bosnian capital Sarajevo, a stretch of only 90 miles. Tempers flare as vehicles queue up along the winding trail. A Bosnian lorry driver pulls a gun on a Danish relief worker who asks him to back up.

Some locally-hired aid trucks have seen better days. But they slog through the ruts and pools of mud. One driver has been stuck overnight waiting for someone to tow his



Tuzla yesterday: A Bosnian soldier carries the coffin of a baby killed in the Srebrenica evacuation

petrol tanker.

"I can't leave because someone may steal the oil," he says. He appears pathetically grateful as he is offered an apple and a packet of cigarettes.

The lorries must drive at full speed outside Ključ, where Serb fighters bombard the road to Tuzla. It is dubbed "bomber alley". Soldiers wearing the Bosnian fleur-de-lis advise people to drive quickly.

Helmet and flak jacket are needed for the last stretch to Tuzla within easy reach of Serb guns. The industrial city is almost a reservation, cut off from the outside world except

for one road. Serb and Croat blockades have stopped almost all traffic but relief lorries.

On the return trip to Belgrade, at a check-point in UN Sector West some 50 miles east of Zagreb, Croat policemen offer coffee.

"Tell them to come over for some ham and Easter cakes," orders one policeman. It is unclear to whom he is referring.

"The Jordanians whose checkpoint divides you from the Serbs?" he is asked. "No, silly, they don't eat pork. Invite the Serbs over for cake."

With some trepidation the

Serb policemen are told that they were invited for an Easter celebration with their Croat neighbours.

"Hello neighbour," he bellows over the walkie-talkie. "Thanks for the invitation. We'll come over."

"You bring the beer," said a Serb militia man. From there it is down the abandoned Zagreb-Belgrade motorway, once the major route joining Europe with the Middle East.

It has been a three-day journey back from Tuzla through the former Yugoslavia. At the roadside just outside Belgrade there is a sign: "Tuzla 70km".

## Pasqua stance on crime dismays Mitterrand

By Alice Rawsthorn

THE first serious split emerged yesterday between France's Socialist President François Mitterrand and the new centrist government when the president objected to a report on law and order by Mr Charles Pasqua, the hardline interior minister.

Officials close to the president said Mr Mitterrand had "expressed reservations" about Mr Pasqua's presentation at a cabinet meeting of proposals to crack down on France's rising crime rate.

The president is believed to have been concerned about Mr Pasqua's failure to refer specifically to last week's incidents

when French police killed three youths suspected of petty crimes.

The controversy over the deaths was atoned yesterday when two police motorcyclists in Cherbourg fired shots at a 15-year-old boy suspected of driving a stolen car. The boy was seriously injured when one policeman, claiming to have aimed at a car tyre, shot him in the back.

The policeman was last night under guard pending an investigation. Last week's police killings triggered violent riots in Paris and the northern town of Tourcoing.

Mr Pasqua, one of the most vociferously right-wing members of the new cabinet, last

weekend issued an official apology to the victims' families. The police have begun an official inquiry into the tragedies.

However, Mr Nicolas Sarkozy, government spokesman, said that the interior minister referred implicitly to the incidents at yesterday's cabinet meeting by saying that the police must "respect individual rights". Mr Pasqua then stressed the need to give police the means to curb the rise in crime.

Mr Pasqua later sought to calm the controversy. Speaking in parliament, he repeated his apology to the bereaved families and described the police action as "unjustifiable".

## Berlin stores attacked by arsonists

ARSONISTS set fire to two Berlin department stores overnight yesterday but caused little damage and no injuries, according to the police, Reuters reports.

A police spokesman could not say whether the fires, started by incendiary devices hidden in the stores and set off by timers, were related to protests against Berlin's campaign to hold the Olympic Games in 2000.

Several banks supporting the Olympic campaign have been damaged by protesters this year, and the Hertie department store chain, owner of the two stores affected on Tuesday night, has also come out for holding the games in Berlin.

## East Germans told strike could cost 100,000 jobs

By Judy Dempsey in Berlin

UP TO 100,000 workers could lose their jobs in eastern Germany if IG Metall, Germany's engineering union, calls an all-out strike in support of large pay increases in the region, Mr Klaus Murrmann, president of the country's employers' association, warned yesterday.

At the same time, he asked IG Metall to return, without preconditions, to negotiations because a strike "now would be at the wrong time, inappropriate, and destructive".

However, IG Metall, which has already held warning strikes in eastern Germany's steel, metal and electrical sec-

tors, wants the employers' associations to rescind a decision which ended a contract equalising eastern and western German wages by April 1994.

Under the terms of that contract, eastern German steel employees were due this year a 21 per cent pay increase and the metal and electrical sectors 26 per cent.

The union, unsure about the extent of its support for an all-out strike in eastern Germany, has accused the employers of illegally breaking the contract. It claims the employers want to destroy the principle of collective wage bargaining which has shaped industrial relations in Germany for the past

## Banks in France cut interest rates to 9.75%

By Alice Rawsthorn in Paris

FRANCE's commercial banks yesterday responded to the recent fall in money market rates and to Tuesday's reduction in the Bank of France's repurchase rate by cutting base rates from 10 per cent to 9.75 per cent.

Prime Minister Edouard Balladur told the National Assembly he would do "everything possible to make sure this fall in interest rates continues".

The reduction was triggered on Tuesday night by Crédit du Nord and yesterday followed by other banks. French base rates had been held at 10 per cent since December as the French authorities battled to defend the franc from speculative attack in the run-up to last

month's parliamentary elections.

The franc has strengthened since the conservatives' return to power and the announcement last week of Mr Balladur's economic reform package. Yesterday the D-Mark closed unchanged on the day at FFfr3.380. However the French stock market slipped on profit taking, following its surge on Tuesday. The CAC 40 index fell by 0.17 per cent to close at 2,015.43.

The base rate reduction is too small to alleviate the pressure on the French economy, still squeezed by sluggish consumer spending and investment. Mr Philippe Toussaint, chief executive of Crédit du Nord, said the cut was "an essential gesture".

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## Nations rival each other in Moscow aid

By Robert Thomson in Tokyo

BEFORE Mr Lloyd Bentsen, US Treasury secretary, began negotiating with his Group of Seven partners in Tokyo yesterday on the future of Russia, he noted that nowadays the group is not as concerned with "the balance of power as with the balance sheet".

Apart from agreement that, by international accounting standards, the Russian balance sheet is definitely in poor shape, several of the G7 members were ready to find fault with each other's reckoning of bilateral contributions to the Russian cause.

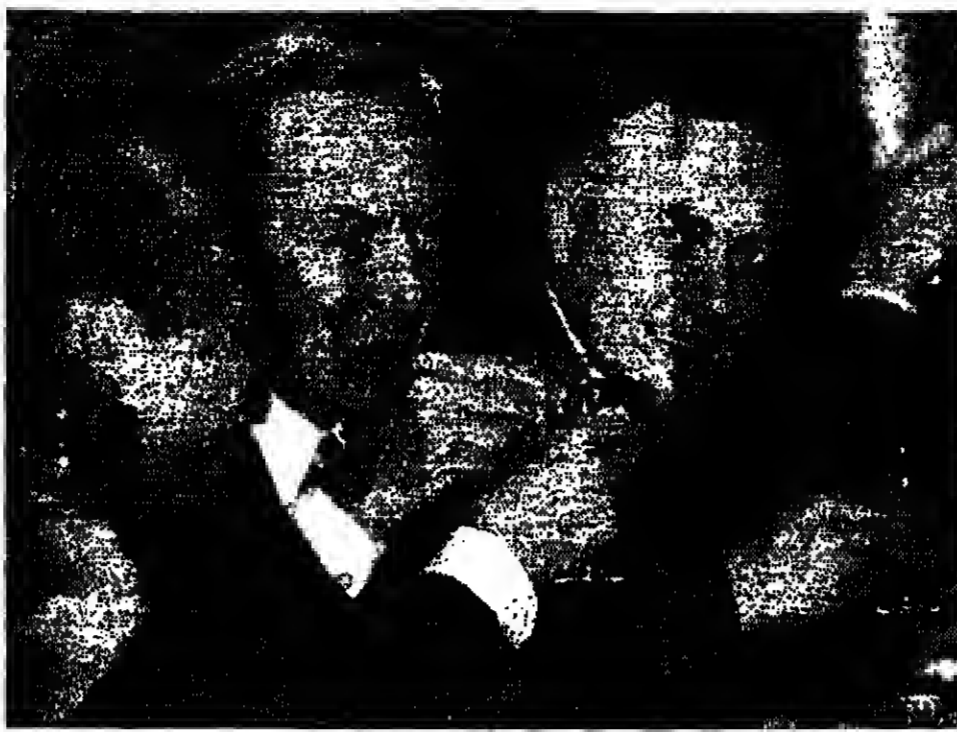
"It has become a numbers game," a Canadian official lamented. Mr Bentsen himself observed that a \$1.82bn (£1.2bn) Japanese package for Russia announced yesterday was heavy on trade insurance, while Japanese officials insisted the weighting of the aid stood comparison with that of fellow members.

"Some commitments [by G7

members] are new and some commitments are not. When you compare the Japanese commitment it is not as miserable as you might think," one said. Out of the \$1.82bn, Japan is providing direct grants of \$320m for food, medical equipment and technical help and \$1.1bn in trade insurance and a \$400m loan facility.

The US is also expected to announce a package of around \$1.8bn at the meeting, which ends tomorrow. This will include \$500m towards a \$4bn privatisation fund for Russian industry. US officials proposed the fund yesterday, but they are dependent on other G7 members mustering another \$1.5bn and international agencies, in particular the World Bank and the European Bank for Reconstruction and Development, supplying about \$2bn.

Japan had planned to announce only \$1.2bn in assistance this week, but apparently increased the figure to ensure favourable comparison with the US.



Toasting Russia's health: (from left) Miyazawa, Christopher and Kozyrev in a Tokyo restaurant

German officials said they felt under no obligation to announce another headline-grabbing figure, as the country's contributions account for an estimated 67 per cent of the bilateral aid promised by G7 members over the past two years and about 76 per cent of that already disbursed.

Italian representatives explained that the country is prepared to consider future assistance, but would like Russia to remember that it has yet

to repay two outstanding commercial bank loans. French officials said the focus should be on multilateral assistance, rather than bilateral figures.

The UK was generous in applauding the Japanese package as "welcome, excellent and a major contribution", though, as Mr Bentsen would say, Britain's extra \$600m package announced yesterday was also heavy on export credits, which account for \$500m.

The European Commission

wanted to emphasise that its \$3bn in already announced assistance has been listed in its budget. A spokesperson said the Commission put the stress on strategic technical assistance. "We notice that the Japanese package does contain technical assistance," the EC said.

However, another US official said that comparing the respective packages of the members was as difficult as "comparing apples to oranges".

## Yeltsin seeks backing for attack on his foes

PRESIDENT Boris Yeltsin of Russia yesterday promised "more decisive actions" against the "negative activities" of the Russian parliament if he wins the support of the people in this month's referendum. He said he would resign immediately if he were not supported.

The president said he had prepared a "range of urgent measures" to present to the country on April 26, the day after the referendum. Though he did not specify in his meeting with the press what these would be, it was clear from other remarks that ensuring a legal base for individuals to hold private property would be foremost among them.

Mr Yeltsin has called for a Yes vote on all four questions in the referendum.

These, decided by the Congress of People's Deputies during a bitterly fought session, are on trust in the president; approval of the economic reform; early elections for the presidency and for a new, one-chamber parliament. He said he would define "losing" as receiving a No vote on trust in himself and on early parliamentary elections through which the Supreme Soviet and Congress - a hangover from Soviet days - would be trans-

formed to a bicameral parliament on the democratic model. Mr Yeltsin has done little campaigning and much of that has been lacklustre. He has no single opponent - but Vice-president Alexander Rutskoi and Mr Russian Khasbulatov, the parliamentary speaker, have propelled ever harsher criticism of him and his government.

By John Lloyd in Moscow

Asked if he sought the resignation of General Rutskoi - considered a possible presidential contender - Mr Yeltsin said Gen Rutskoi was "completely opposed to the reforms being introduced by the president". He asked: "How can he work in such a situation?"

Mr Yeltsin said he would define early elections as taking place in autumn this year rather than, as had been mooted, in spring 1994. He said a new constitution, guaranteeing all civil rights "to world standards", was already prepared and would now be sent for discussion to the republics and regions of Russia.

The constitution, he said,

could then be adopted either by a referendum or a constituent assembly, or by the Council of the Federation itself. Mr Yeltsin, who has increasingly used regional and republican leaders as allies in his struggle with parliament, suggested that the last of these might be the better way and said that the new constitution put the upper house of the two-chamber parliament, the Chamber of the Federation, as the highest legislative body.

Later, in talks with leaders of the Russian republics in Moscow, Mr Yeltsin said a new constitution would create a presidential republic and a "full-blooded federation". He told the republican heads that the present constitution, a patched version of the old Soviet era document, was an "explosive mixture".

Mr Yeltsin also said that he would meet other heads of the Commonwealth of Independent States in Minsk tomorrow "to discuss only one question - the future of the CIS, when integration would begin and which [of the states] would continue in an integrated community". However, he said Russia would cease to sell energy to former Soviet republics at subsidised prices.

## Lamont sets a 10-year target for free trade

By Charles Leadbeater in Tokyo

THE G7 countries should commit themselves to establishing completely free trade with Russia within 10 years to hasten Russian integration into the world economy, Mr Norman Lamont, British Chancellor of the Exchequer, told the Group of Seven's finance and foreign ministers in Tokyo.

He said such a timetable would be a symbol of economic partnership, rather than merely aid.

Mr Lamont also announced a \$380m addition to the UK's bilateral aid programme to promote economic reform in Russia and other countries of the former Soviet Union.

The additional assistance would bring British aid to the former Soviet Union to £1.1bn, including the UK's commitment to the EC's aid programme.

It is mainly in the form of \$220m in export credits and insurance for British companies investing in Russia.

Technical assistance to Rus-

sia will be doubled to £120m. Most of this will go into an international fund to support the development of small and medium-sized enterprises, with the rest to expand the recently launched scheme to second Russian managers to British businesses to give them experience of working in a market economy.

Mr Lamont said: "Russia could be one of the biggest export markets for British firms in the next decade. We want to help and encourage them to get in on the ground floor and to establish links with Russia at an early stage."

However, the British proposal for a free trade agreement appeared to win little immediate backing, apart from support from Japan.

Before yesterday's announcement Britain had pledged about £130m in bilateral aid, including £38m for military safety and \$50m to the Know-how fund for business development. It had also provided £223m in export credits and \$21m for the EC aid programme.

## Coup defendants protest at trial

By John Lloyd

THE trial of 12 former Soviet and Communist party leaders charged with high treason for organising the unsuccessful coup in August 1991 began yesterday. It opened with a flurry of claims by the defendants that they were being tried in a non-existent country by the wrong people on a punishing schedule.

One of the defendants, Mr Alexander Tizyakov, 67, was taken ill half an hour before the end of the afternoon session. Mr Tizyakov, a less prominent member of the "State Committee for the Extraordinary Situation", as the plotters called themselves, was head of the state industrialists' association.

Mr Anatoly Lukyanov, former speaker of the Soviet parliament and an intimate of former Soviet President Mikhail Gorbachev, argued that the prosecutors, drawn from the military department of the Russian Supreme Court, were biased. He noted that they would be under the command of General Pavel Grachev, the defence minister, who will be

one of the witnesses. Gen Grachev came out against the plotters during the coup.

Major General Anatoly Ukolov, the presiding judge, dismissed the claim, as he did an earlier plea that the case be dismissed as the court had no jurisdiction over alleged crimes committed in the Soviet Union. The defendants also argued unsuccessfully that the court's schedule be relaxed to reflect the age of the defendants - many in their sixties - and the fact that they had spent a year in prison.

The trial of the plotters promises to be long and at times riveting - as several of them, including Mr Lukyanov and Mr Valentin Pavlov, the former Soviet prime minister, have made clear that they will point the finger at Mr Gorbachev as having been at least a passive accomplice in developing the coup. Mr Pavlov said in a recent interview that the former Soviet president had indicated that he would return from his vacation villa - where he was under house arrest - to lead the country if the plot succeeded.

## Libya shipment barred

A RUSSIAN company's attempt to ship a hanned chemical to Libya was blocked by Ukrainian customs officers at the southern port of Illichivsk last week, writes Chrystia Freeland in Kiev.

The seizure comes amid growing western concern that Russian defence officials are seeking to profit from their nation's economic chaos by selling dangerous substances to countries subjected to international embargoes.

The action also suggests

Ukraine is trying to tighten export controls in response to western allegations that it was breaching sanctions against Serbia by allowing oil to be shipped up the Danube from Ukrainian ports.

The Ukrainian Foreign Ministry said 80 tonnes of ammonium perchlorate, being shipped to Libya by the Moscow firm "Pavloks", was seized by customs officials. This can be used as a rocket fuel, although it also has medical and farm applications.

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## NEWS: INTERNATIONAL

# China talks boost HK share prices

By Simon Davies  
in Hong Kong

THE Hong Kong stock market yesterday celebrated the end of the Sino-British political deadlock in traditional fashion, with the Hang Seng Index surging 371.53 points to a record high of 6,789.74.

Local politicians displayed rather less optimism, however, that the four-day talks to be held by Britain and China would resolve the dispute over Hong Kong's political development, and Beijing issued further warnings to indicate that the market reaction could be premature.

A UK foreign office spokesman said Hong Kong's three representatives would join the negotiations with China on April 22 as equal members of the team, implying that Britain had won a diplomatic concession from the Chinese.

However, Mr Zhang Junsheng, deputy director of the Hong Kong branch of Xinhua News Agency - the official mouthpiece for China - yesterday declared that the Hong Kong representatives would merely adopt the role of advisers or experts, in accordance with China's initial demands.

Even so, a stunning black has clearly been overcome in allowing talks to be resumed.

But one Hong Kong legislative councillor said yesterday: "It is possible that the gap between the two sides is still large. China wants the freedom to appoint its own lackeys, while the British want an honourable retreat."

Mr Martin Lee, leader of the United Democrats, said he was not optimistic about a resolution. But he argued that Mr

Chris Patten, Hong Kong governor, appeared to have won an important procedural point and proved that Britain could successfully stand up to China.

Mr Lee said: "Let us hope this is a sobering reminder to the China clique [so-called foreign office sinophiles such as Sir Percy Cradock, former UK ambassador to China] that there is not the right way."

Foreign investors took more encouragement from the diplomatic breakthrough. Stock market turnover hit an all-time high of HK\$7.7bn (\$552m), compared with the previous record of HK\$6.3bn reached in May 1992. Brokers expected follow-through buying from London and New York to push the index further today.

A resolution to the dispute would stimulate corporate earnings right away. It would set off an increase in property prices and provide economic benefits of a go-ahead for several big infrastructure projects which have become pawns in the political conflict.

The most politically marked company in the stock market - Jardine Matheson, which in December was singled out by China as a "bad element in Hong Kong's business community" - was the best-performing blue chip stock of the day, climbing HK\$7 to HK\$55.

Mr William Overholt, managing director of Bankers Trust (Hong Kong), said: "I don't think that there is a view that things will go smoothly. But the Hong Kong community has now come to the conclusion that China will do nothing to harm Hong Kong. The basic fear of 1997 [the date for handover of control to China] has evaporated."

# US isolation grows over Vietnam

By George Graham  
in Washington

THE "road map" set out by former President George Bush for normalising relations between Vietnam and the US has already led the two countries into a few dead ends and several potholes.

The discovery in Moscow of a document apparently showing that Vietnam may have held twice as many US prisoners of war as it ever admitted seems sure to throw another obstacle in the way of their awkward march towards full links.

While US policy towards Vietnam is officially under review, it has been widely assumed in Washington - although without any explicit statement from President Bill Clinton himself - that the new administration would not depart dramatically from the Bush road map.

This set out a phased progression to lifting the US trade embargo and establishing full diplomatic relations in exchange for Vietnam's co-operation on accounting for US servicemen listed as missing in action during the Vietnam war and on the UN sponsored peace process in neighbouring Cambodia.

The next phase foreseen in the road map would involve the US lifting its trade embargo against Vietnam, ending its opposition to reinstating the country in the International Monetary Fund and supporting loans by the IMF and the World Bank for basic human needs.

The US is growing more and more isolated in its insistence on maintaining an embargo against Vietnam.

Other western nations, which have until now held back out of deference to the US from helping Vietnam hack

into the IMF, now seem increasingly inclined to press ahead willy nilly.

A support group led by France stands ready to provide a bridging loan to pay off Vietnam's arrears to the IMF of

The support group had been expected to meet during the IMF's spring meetings later this month. Until the prisoners of war document surfaced in Moscow this week, Fund officials had expected the Clinton

**'An aggressive and enlightened bilateral and multilateral dialogue with Vietnam will eventually result in democratic change in Vietnam'**

around \$140m (\$92m). Mr Michel Camdessus, the IMF managing director, has made it clear he feels Hanoi's economic policies would already qualify it for normal IMF financing, allowing it to repay this bridging loan.

This, in turn, would pave the way for World Bank infrastructure lending which Vietnam sorely needs.

administration to signal its acceptance of Vietnam's reinstatement by lifting the embargo.

Such a move now appears, in the short term at least, to be politically impossible for Mr Clinton: whether or not the Moscow document is authentic - and the Vietnamese are not alone in crying "forgery" - it has the ring of truth to a sub-

# Rabin and Mubarak meet in bid to put peace talks on schedule

By Roger Matthews,  
Middle East Editor

ARAB delegations to the Middle East peace talks will wait until Saturday before deciding whether to attend the next round of negotiations scheduled for Washington on Tuesday.

President Hosni Mubarak of Egypt made the last effort at conciliation yesterday when he met Mr Yitzhak Rabin, Israel's prime minister, in Ismailiya on the Suez Canal. The talks were the final stage of a series of contacts involving the US, Israel, Egypt, the Palestinians, Jordan and Lebanon. Senior representatives from the four Arab delegations will meet in Damascus tomorrow and Saturday to make their decision.

Mr Mubarak said there were "very great hopes" that peace negotiations would resume on schedule but neither he nor Mr Rabin offered any details on the substance of their discussions.

While Syria, Jordan and Lebanon have all expressed their desire to proceed with negotiations, the Palestinians who had been deported over the past several years and also allow Palestinians from east Jerusalem to become members of its negotiating team.

Mr Rabin confirmed yesterday that the Palestinians



President Hosni Mubarak of Egypt (right) meets Mr Yitzhak Rabin, Israeli PM, yesterday

may be prepared to take back some Palestinians who had been deported over the past several years and also allow Palestinians from east Jerusalem to become members of its negotiating team.

Mr Rabin confirmed yesterday that the Palestinians

discuss the status of east Jerusalem, which it annexed after the 1967 war.

The US has also sought to reassure Arab delegates that it will play a more active mediating role and become a full partner in the peace process.

# Japanese bank chief cautious over prospects for economic recovery

By Charles Leadbeater  
in Tokyo

THE Japanese economy will start to recover only gradually towards the end of the year, in spite of the ¥13,200bn (¥76bn) emergency spending programme announced by the government on Tuesday, Mr Yasuhiro Mieno, the Bank of Japan's governor, warned yesterday.

His remarks came as retailers confirmed the depth of the

slump in consumer spending, with an 11.4 per cent fall in sales at Tokyo's 27 main department stores last month.

Mr Mieno's cautious assessment of the special package's impact on the economy, which is mired in the worst downturn for two decades, sharply contrasts with the government's view that the package will pave the way for a sustained recovery.

Mr Yoshiro Hayashi, the finance minister, in a speech to

executives from trust banks said the ¥13,200bn package, mainly made up of public works spending, would promote sustained recovery in the second half of the 1993 financial year.

Mr Mieno said that recent increases in car sales, industrial shipments and the surge in the Tokyo stock market might indicate the decline in business confidence was coming to a halt.

However, he cautioned that

it was too early to say the economy was ready to recover given the depth of the slump in consumer spending and corporate investment.

The March fall in Tokyo department store sales was the sharpest monthly drop recorded since the Japan Department Stores Association started collecting statistics in 1965.

Sales of clothes, furniture and household appliances were particularly hard hit.

# Party puts policies before perks

Emiko Terazono on the group trying to clean up Japanese politics

ON THE MAIN street of Nagatacho, Japan's political centre, a group of middle-aged women climb into a tour bus to complete a day of politics and sightseeing with a boat ride around the Tokyo Bay and an evening variety show with the compliments of their local MP.

Mr Yoshio Terazono, a member of the Japan New Party, is still shocked at such sights. "These practices have to go," he says. As revelations of political corruption have heightened discontent towards the ruling Liberal Democratic party and existing opposition parties, the JNP has presented itself as the party which can clean up politics.

He also points a finger at Japanese voters, "Japanese politics has deteriorated because people choose politi-

cians who give out the best perks," says Mr Terazono, ex-vice president of Nomura Securities and former executive vice president of the Multilateral Investment Guarantee Agency.

The party is quickly winning support. According to a poll by the Nikkei Shimbun 5.7 per cent of 10,000 registered voters supported the JNP, up from 0.7 per cent last June, and 2.8 per cent in December, pushing it to the third most popular party. The tax evasion scandal involving Mr Shin Kawamura, the former kingmaker of the LDP, has given impetus to public support for the party, which calls for a more transparent political system.

It also calls for free trade, including the opening up of rice markets, and advocates curbing powers of the bureau-

cracy. However, in spite of its different outlook on politics, the JNP faces the same problems as other parties - lack of funds. The JNP is at a disadvantage since it lacks of connections with corporations and labour unions which existing parties have.

Donations from companies and individuals, which constitute over 50 per cent of revenues for the LDP, are also sparse for the newest opposition party. Companies are reluctant to provide funds due to falling profits.

The JNP has raised ¥300m by selling party handbags and T-shirts, but will have to market a lot more if it is going to support at least 60 candidates in the next general election slated for the second half of the year. Mr Terazono is now trying to woo wealthy individ-

uals and owners of small companies for donations.

A single LDP candidate would need about ¥300m, paying for flashy campaign cars, posters and payouts. "It's shocking but it happens," says Mr Terazono, describing a case where ¥10,000 notes, were distributed hidden in onigiri - Japanese rice ball snacks.

But Japanese politics is slowly changing, says the 62-year-old Mr Terazono. "We have the wind behind us, and we must not miss it," he says. He adds attitudes of younger people are slowly changing old ways.

However, some old ways die hard. Some voters still expect favours from a candidate. "In the provinces, a good politician is someone who can build the extra bridge or a bullet train station," says Mr Terazono.

# New Zealand inflation at 1 per cent

By Terry Hall in Wellington

NEW ZEALAND consumer prices in the year to March 31 rose by 1 per cent, a result only bettered by Australia in the Organisation for Economic Co-operation and Development, the government statisticians said yesterday.

Australia's inflation rate was 0.3 per cent. The low New Zealand annual rate continues

a trend, with the CPI registering 1.3 per cent in the year to December and 1 per cent in the 12 months to September.

In the three months to March the CPI was 0.1 per cent, a figure that surprised economists who had been predicting a rise because of higher mortgage rates.

This followed the Reserve Bank's decision to intervene to support the New Zealand dol-

lar in pursuit of its low inflation target when it appeared likely the currency would fall below its target of 53 on the index which measures the value of the dollar on a trade weighted basis with its main trading partners.

The statistics department also reported yesterday that food prices had fallen 1.3 per cent in March.

This followed increases of 1.1 per cent and 0.6 per cent in February and January, which were due to poor weather affecting the price of fruit, vegetables and meat.

Economists said yesterday that the government deficit could be down on Treasury forecasts for the year to June due to higher company tax, lower government spending and higher returns from indirect taxes.

# Attack fears after pull-out by Khmer Rouge

By Victor Maffei in Bangkok

THE WITHDRAWAL of Khmer Rouge officials from the Cambodian capital on Tuesday night has raised fears that the guerrilla group will step up attacks across Cambodia ahead of next month's UN-sponsored elections.

Mr Khieu Samphan, the nominal Khmer Rouge leader,



Mr Khieu Samphan, nominal leader of the Khmer Rouge

# Britain in approach to India on environment

By Bronwen Maddox,  
Environment Correspondent

THE UK government has asked India to form an environmental alliance to help unblock international "green" negotiations in the follow-up to the Rio Earth Summit.

Mr Michael Howard, environment secretary, who proposed the initiative in a letter on April 6 to Mr Kamal Nath, the Indian environment and forests minister, said yesterday: "We both have a good deal of influence at our disposal, the UK as part of the developed nations group and India as part of the developing nations."

He added that "without some political will behind it" there was "a great danger" that the Commission for Sustainable Development, that will follow up Rio's ambitious agenda set in Rio last June, would become "just another bureaucratic arm of the United Nations."

A pact could have considerable impact on discussions on how to put last June's Rio agreements into practice, which have been handicapped by north-south divisions, in particular over financing.

However, an alliance would have to bridge the wide differences between the UK and India on many "green" issues. Past disagreements include the future of forests and the role for the global environment facility (GEF), the fund administered by the World Bank and the United Nations to help the Third World to finance projects which help the global environment.

Mr Howard said "we have not established a total identity of view but we have established a common approach." He added: "I think I see signs of movement on the Indian position on [the GEF]." Many developing countries have been reluctant for the fund to be part of the World Bank and have disputed the criteria for selecting projects. Mr Nath and Mr Howard will meet this Saturday in Montreal at an informal meeting of environment ministers.

said in a letter yesterday to Prince Norodom Sihanouk, who chairs Cambodia's interim Supreme National Council (SNC), that Khmer Rouge officials no longer felt secure in Phnom Penh, although the UN has blamed most of the recent violence in the country on Khmer Rouge guerrillas.

The withdrawal will make it difficult for the 22,000-strong UN Transitional Authority in Cambodia (Untac) to communicate with the Khmer Rouge leadership, except via Thailand. It was not immediately clear if Mr Khieu Samphan would be prepared to visit Phnom Penh to attend future meetings of the SNC, which brings together the four main factions and the UN.

The attitude of the Khmer Rouge, which was responsible for the deaths of 1m Cambodians when it ran the country between 1975 and 1978, is regarded as crucial for the peace process because its guerrillas and the rival army of the Phnom Penh administration are the only substantial Cambodian military forces.

The group has effectively pulled out of the peace process already, by seeking to disrupt the elections, refusing to disarm its fighters and rejecting UN attempts to gain access to Khmer Rouge territory.

Seven UN peacekeepers have been killed in the past three weeks, and the UN blames the Khmer Rouge for most of the deaths.

Yesterday Untac attempted to lure the Khmer Rouge back to its compound behind the royal palace in Phnom Penh by saying that UN forces could provide extra security for Mr Khieu Samphan and his followers.

In Tokyo, foreign ministers from the Group of Seven industrialised countries said the elections should go ahead. Mr Ali Alatas, the Indonesian foreign minister, urged Untac to persevere because the alternative would be "uncontrolled fighting again in Cambodia."

# Pakistan's PM told to resolve political crisis

PAKISTANI President Ghulam Ishaq Khan issued a stern warning to Prime Minister Nawaz Sharif yesterday to resolve what he called grave problems and to end a crisis that threatens his government, Reuters reports from Islamabad.

Mr Sharif met the president for the third time in 10 days to try to end a bitter feud that many ministers have said could prompt Mr Ishaq Khan to use his powers to dissolve the National Assembly (lower house).

Mr Sharif enraged the president in February when he set up a committee to modify the Eighth Amendment, martial law-era legislation that empowers the president to dissolve parliament and appoint the six forces chiefs of staff.

Mr Sharif said political instability could reverse Pakistan's ambitious reform programme to deregulate the economy. Last week the prime minister nominated Mr Ishaq Khan for a second term to try to end the hardening antagonism.

Mr Ishaq Khan, whose five-year term expires late this year, used the Eighth Amendment to dismiss former prime minister Benazir Bhutto on charges of corruption and misuse of power and is believed to be curbing his authority.

General Abdul Wahed, chief of army staff, postponed a visit to France due to begin today.

## NEWS IN BRIEF

## Iran devalues 6.7% against the dollar

IRAN'S central bank devalued the rial 6.7 per cent against the dollar yesterday, and stepped up the sale of foreign exchange in a bid to take control of a volatile currency market, Reuters reports from Tehran.

In its second devaluation in three weeks, the bank set the rial at 1,648/50 per dollar against Tuesday's 1,538/41.

Several dozen state bank branches in Tehran began selling up to \$5,000 (\$3,300) to any buyers after Tuesday's announcement that the rial would be fully convertible.

The central bank acted after the rial sank to a new low of 1,830 to the dollar on Sunday, raising fears of a free-fall after an official devaluation of up to 55.6 per cent on March 27.

The first devaluation jolted prices. Newspapers report a 30 per cent jump in prices of household goods since early March - about equal to the rise in wholesale prices in the 11 months to February 19 over the same period a year ago.

Meanwhile, Iran, the official news agency, said a British trade mission to Tehran planned for next month was likely to be postponed because of London's public support for novelist Salman Rushdie, ordered killed by Iran for alleged blasphemy.

The agency said damage to UK-Iran relations "could go much further than economic ties" if British Prime Minister John Major went ahead with a public meeting with Rushdie.

Unconfirmed reports spoke of the execution of former interior minister Samir Abdel Wahab al-Shaykeli in a purge ordered by President Saddam Hussein.

But travellers said they knew only that a number of senior military officers and ruling Ba'ath party officials had been arrested and executed. They were unable to give any figures.

## Over 70,000 protest against religious strife in India

More than 70,000 people came out in a scorching summer sun yesterday to call for an end to the politics of religion which has led to widespread Hindu-Muslim riots in India, Reuters reports from New Delhi.

The rally to affirm India's secular constitution was called by 13 left and left-of-centre political parties near the historic Red Fort in the old city of Delhi.

Nearly 2,000 people were killed in riots which swept the country after a mosque was razed by Hindu fundamentalists in the northern town of Ayodhya on December 6.

Speakers at the rally charged the right-wing Hindu nationalist Bharatiya Janata party (BJP), which spearheaded the movement for building a temple on the site of the mosque, for injecting religion into politics.

The BJP, regarded by its opponents as rabble-rousers, is accused of exploiting the religious loyalties of India's Hindus, the overwhelming majority in the country of 870m. The party has become the largest opposition party in a matter of five years.

## North Korean prime minister attacks 'enemies of Pyongyang'

North Korean Prime Minister Kang Song-san lashed out yesterday at enemies confronting Pyongyang in the nuclear inspection crisis in the midst of a gushing 51st birthday tribute to "Great Leader" Kim Il-sung. Reuters reports from Tokyo.

In a keynote speech to a "national celebration" in the capital, Mr Kang hailed Mr Kim's birth on April 15, 1912, as "a big stroke of luck which heralded the dawn of national liberation and rebirth on the dark land of the country."

Mr Kang also accused the United States of trying to organise "collective sanctions" to isolate the Stalinist republic on the pretext that it refused to open up secret military sites to nuclear inspection.

Pyeongyang's defiance of demands by the UN atomic watchdog agency for access to suspected nuclear weapons sites has sparked a crisis in the region. The UN Security Council is weighing imposition of punitive sanctions.

مكتبة النجف

Attack fears after pull-out by Khmer Rouge



stan's PM to resolve cal crisis

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# VAT may finance US health plans

By George Graham  
in Washington

A VALUE added tax could be introduced in the US to finance the Clinton administration's health care reform plan, a senior official said yesterday.

Ms Alice Rivlin, deputy director of the Office of Management and Budget, said VAT or a national sales tax was "clearly a possible candidate".

The introduction of VAT is backed by several US senators and seen by others as inevitable in the long run. However, most advocates argue that it

should be introduced as part of a comprehensive reform of the tax system, replacing a considerable portion of the revenue now raised from income taxes.

White House officials say that at least 20 different tax options are still on the table for financing health care reform. Particularly favoured are "sin taxes" on alcohol, tobacco and guns, because of their likely effect in curbing unhealthy habits that place a burden on the medical system.

Ms Rivlin yesterday said that President Bill Clinton had not yet decided on the details of

the health care reform, or how it should be financed. However, a national VAT had "a good deal to recommend it", she said, in view of the need to boost investment rather than consumption in the US. On the other hand, it would be regressive in its impact, and could hurt states' revenues from local sales taxes.

A White House task force is expected to complete the administration's health care reform plan in mid-May.

The core goals are to ensure all US citizens have some form of health coverage and to guar-

antee that this coverage not be jeopardised if they change jobs or fall ill.

But that is almost certain to cost the government a great deal more than the current system, where most people have health insurance provided by their employer.

At least in the short term, it will prove expensive to extend coverage to the estimated 37m people who have no employer-provided health insurance, but who do not qualify for the government's Medicaid or Medicare schemes, which cover the poor and the elderly.

Over the longer term, the administration hopes that the reforms will pay for themselves by bringing medical costs under control.

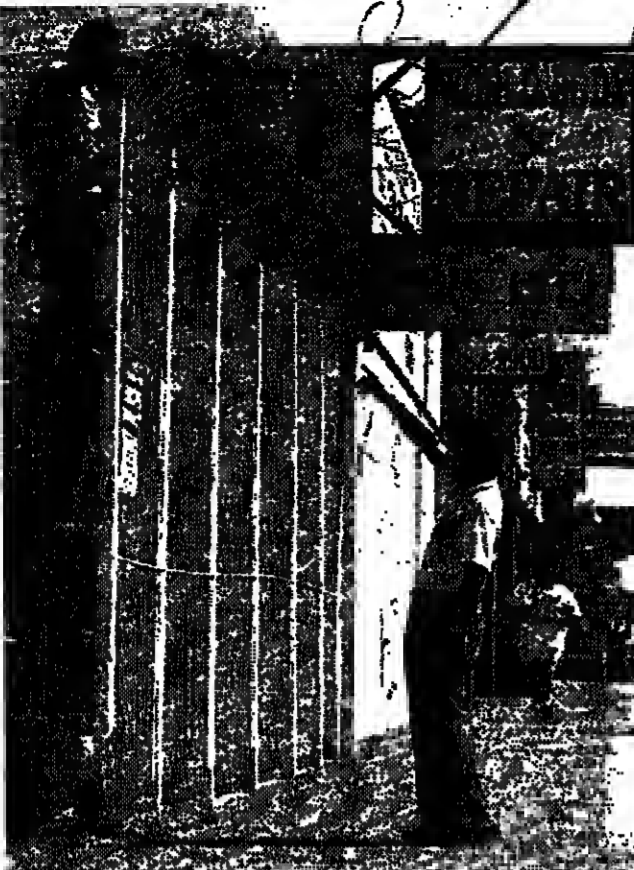
Administration officials say the outlines of their plan include a health security card that would guarantee every citizen access to a standard package of health benefits.

Local "health alliances" would operate as purchasing co-operatives, with the expectation that they would be able to negotiate cheaper fees. These alliances would then offer a variety of health plans, either

to employers or to individuals. Employers would be required to pay for part of their employees' coverage, but would have to give their employees a choice of health plan.

Medicaid would eventually be folded into these alliances, although Medicare would continue.

In rural areas, where population density is too low to support competing health plans, states might opt to take a more direct role in collecting premiums and contracting for health services, in a single-payer system similar to Canada's.



Korean shopkeepers were putting up razorwire in Los Angeles yesterday, as the city waited for a verdict in the federal trial of four white policemen accused of a 1991 beating of black motorist Rodney King, which was videotaped by an onlooker and broadcast worldwide. The April 1992 acquittal of the four officers sparked riots that killed 54 people and caused more than \$1bn in damage. Black leaders yesterday called for calm as the jury returned for a fifth day of deliberations.

## Caribbean goes shopping for citizens

Canute James sights Far Eastern businessmen looking for a haven

A DISTANT ramification of the diplomatic skirmish between Britain and China over the future of Hong Kong is being felt on the eastern Caribbean island of Dominica, where citizenship is "for sale".

Dominica has been casting its net throughout south-east Asia for the past year, in an effort to entice, with the offer of passports, new "economic citizens" in exchange for

investments. Businessmen from the Far Eastern British colony have been visiting.

The prospective citizen pays the government US\$25,000, which goes into a trust fund, and makes an initial business investment of not less than \$35,000 in a venture producing for export and employing Dominicans.

The country is not alone in making an eastern Caribbean pitch for wealthy citizens. The

government of St Kitts-Nevis plans to sell several hundred passports to residents of Hong Kong, who appear concerned about the future of the colony when it comes under Chinese control in 1997.

St Kitts-Nevis officials say they will not grant more than 3,000 "economic citizenships" and that many of those who qualify would not live in the twin-island country, which has a population of 50,000 people.

However, the phantom immigrants would have a haven in case of need.

In the same region, the government of Antigua is studying a similar programme to attract investors from the Far East. An official said the administration favours issuing economic visas, as in Canada.

To the west across the Caribbean, Jamaica has launched a programme to attract "business migrants", to draw both

their professional skills and their money. The programme was launched in Hong Kong but the Jamaican government says it is willing to consider applicants from any country.

Jamaica has stipulated no minimum investment, but preference will be given to prospective migrants willing to commit no less than \$100,000 in non-transferable government bonds for at least 10 years, or in approved private joint ventures. A successful applicant will receive resident status and a passport, and will be able to apply for Jamaican citizenship.



Florio: seeking second term

## Unpopular governor asks for more time

By Jurek Martin in Washington

GOVERNOR Jim Florio of New Jersey has given encouragement this week to all incumbent politicians who have plumbed the depths of unpopularity while in office. He announced that he will seek re-election in November to a second term.

The east coast Democrat is by no means sure of success. Most state polls show him behind, or level with, two prominent Republicans, Mrs Christine Todd Whitman and Mr Carey Edwards. Both have recently been saddled with another contemporary US problem: failure to pay taxes on their domestic staff.

But the fact that the governor is now given a fighting chance has made him very much the Easter week candidate, for few politicians have ever been declared so politically dead, so often, as has the 55-year-old Mr Florio.

If he recovers and wins in the autumn, then many others who had fallen on hard times through their attempts to impose fiscal disciplines on their states may take heart. Among them are Mr Pete Wilson, Republican governor of California, and even Mr Mario Cuomo, Democratic governor of New York and no longer a candidate for the next vacancy on the US Supreme Court.

Mr Florio, elected in 1989 by a landslide, had seemed the quintessential victim of the Republican era of revision to higher taxes. He immediately pushed through the state legislature, then in Democratic hands, a \$2.5bn tax increase, plus other controversial measures covering education, insurance and gun control.

Political retribution was immediate. Within two years the legislature was in Republican hands and the state's most popular politician, Democratic Senator Bill Bradley, nearly lost his re-election bid to Mrs Whitman because of his association with Mr Florio.

However, in recent months a recovery seems to have been under way in the state economy and in the governor's fortunes. A victory was recorded this year when the legislature withstood great pressure from the National Rifle Association (NRA) and refused to override his veto of attempts to enslave his tough gun control law.

The fact that Mr Florio has recruited Mr James Carville, President Bill Clinton's strategic mastermind last year, to direct his re-election effort is considered important. The "ragin' Cajun", who also engineered the stunning Pennsylvania Senate by-election victory in 1991 by Mr Harris Wofford, the Democratic long-shot, is the hottest political adviser in the US at present.

In declaring his candidacy this week, Mr Florio sought to cast himself, not unlike Mr Clinton, as a man unafraid to take tough decisions in difficult times. Also borrowing from earlier in the president's political career, he said he had learned in his first term "to talk less and listen more". Mr Clinton lost his first bid for re-election as governor of Arkansas largely because he had tried to push through a series of measures considered too radical by his state.



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مكتبة النور

## No firm dates offered for EC membership E Europe urged to renew ex-Soviet ties

By Lionel Barber  
in Copenhagen

EC member states yesterday urged central and east European countries to rebuild commercial ties with the former Soviet republics to strengthen trade liberalisation in Europe.

The call came at the end of a two-day international conference in Copenhagen, but several delegations cautioned that greater regional co-operation in the east should not be a substitute for improved market access to western Europe and eventual EC membership.

Mr Geza Jeszenszky, Hungarian foreign affairs minister who emerged as the champion of the former communist countries in eastern Europe, said: "This is not a bad idea. But it only makes sense if integration goes ahead with western Europe."

A free trade zone in east Europe would complement existing efforts to cut barriers between Poland, the Czech republic, Hungary and Slovakia - the so-called Visegrad Four. But it remains politically sensitive as east European

countries fear being pushed back towards markets in Russia and the former Soviet Union.

The Copenhagen meeting was organised by the Danish government to discuss how best to foster economic development and political stability in central and eastern Europe. In addition to delegates from the 12 EC countries and the Visegrad Four were members of the European Free Trade Area, the Baltic states, Bulgaria, Romania and Slovenia. Russia was not represented.

The conference highlighted the contradiction between western European countries' political desire to help the former communist countries and the economic reality of recession, which has made them reluctant to offer generous concessions on market access.

Despite misgivings among free trade-minded countries such as the UK, Denmark, Switzerland and the Nordic states, the final communiqué avoided concrete offers on market access. It noted only that the EC and Efta, among others, had an important role in open-

ing markets progressively "on a mutually advantageous basis".

However, Sir Leon Brittan, EC trade commissioner, suggested the conference could increase political support for faster moves to open the EC's markets to central and east European imports. The issue is to be considered at the EC summit in June.

At present the EC has struck association agreements with six east European countries, including the Visegrad Four, Romania and Bulgaria. These provide for progressive dismantling of trade barriers, but contain restrictions on sensitive items such as agriculture, textiles and steel - all of which remain key export earners in eastern Europe.

The conference, which was non-binding, did not offer a firm date for EC membership for Poland, the Czech republic, Hungary and Slovakia. Mr Niels Helveg Petersen, Danish foreign minister, spoke of a "clear perspective" on membership but added: "It makes no sense to set a time. It can't be done. It would not help."

## Miyazawa confident of import rise

By Michiyo Nakamoto  
in Tokyo

MR Kiichi Miyazawa, Japanese prime minister, leaves Tokyo today for Washington, confident that the \$117bn domestic economic package announced on Tuesday, and the benefits it will have in increasing domestic demand for imports, is sufficient to soothe US concerns about its \$46bn merchandise trade deficit with Japan.

But he will not, by all official accounts, be bringing a new trade initiative to his first meeting with President Bill Clinton. The latter will have to be satisfied, for the time being, with a stimulant package designed to lift the Japanese economy out of its doldrums and thereby help boost world growth, and with a Japanese willingness to lend an attentive ear to any US

ideas on how Japan might help reduce its massive trade surplus.

Mr Miyazawa will convey his belief to Mr Clinton that the package will put the Japanese economy firmly on the road to recovery and that such macro-economic measures are the proper way to address the nagging problem of the two countries' trade imbalance. The lift that the new measures will give to imports is estimated by Japan's ministry of international trade and industry at more than \$8bn.

Also, the package includes government procurement of many products in which the US is competitive, such as medical equipment and computers.

Mr Miyazawa may find, however, that US enthusiasm for Japan's efforts is not quite what he had expected. US government officials now in Tokyo, for the meeting of G7 foreign and finance

ministers, have shown a measured response to the economic package.

Mr Lloyd Bentsen, US treasury secretary, while acknowledging Japan's recent efforts to reduce the deficit, suggested that the US expects more. He stressed the need for continued stimulation and increasing demand, calling the economic package "a step forward - but you need to look beyond the headlines."

Mr Clinton is unlikely to be pleasantly surprised by a Japanese proposal on addressing sectoral issues. Japan has repeatedly stated that it will not discuss quantitative market-opening targets, which are favoured by US officials as a means to reduce the trade deficit with Japan.

However, leading trade officials in Tokyo indicate that, targets aside, they are prepared to be flexible towards any

proposals the US has on trade issues, including the setting-up of a new forum for discussing bilateral issues. Nancy Dunne adds from Washington: In an effort to boost sales of US auto parts in Japan, the US Commerce Department and Japan's Miti will sponsor a two-day conference on June 2-3 at Dearborn, Michigan. The aim is to lift sales to \$19bn in 1994. In 1991, the US sold some \$10.5bn of auto parts to Japan.

US parts producers have complained that they are being discriminated against by Japanese companies manufacturing in the US.

The conference will bring together senior Japanese auto executives and US parts suppliers to discuss Japanese procurement practices and future opportunities for the sale of US auto parts in Japan.

## US-Canada disputes cloud NAFTA talks

By Nancy Dunne  
in Washington

US, CANADIAN and Mexican officials have started a series of negotiations on side agreements to complete the North American Free Trade Agreement.

At the same time, however, US legislators were raising doubts about the binational dispute settlement mechanism already operating between the US and Canada.

The US National Pork Producers' Council warned that a decision against their group by a binational appeals panel, the extraordinary challenge committee, has "cast a shadow over the entire binational panel process" set up under the US-Canada free trade pact.

The three-member committee ruled that, while a lower binational panel, which ruled against the US, "may have erred" in its interpretation of a US Commerce Department

application of the countervailing duty law, "on balance the committee was not persuaded that the panel failed to apply the properly articulated standard of review."

"The committee itself said the panel may be wrong," said Mr Karl Johnson, president of the pork producers. "Why have the extraordinary challenge committee process at all if a binational panel's blatant flaws cannot be overturned?"

One issue was a decision by the original binational panel to refuse documents from the Commerce Department which were alleged to have shown how Canadian subsidies support the pork industry there.

The committee said the refusal was "somewhat surprising", in that a previous panel had ruled against the US on the grounds that there was not substantial evidence shown to support a Commerce decision. US parties have not done well in the binational process,

according to Ms Joanna McIntosh, one of the attorneys for the pork council.

Of the 10 cases brought concerning US agency determinations, six have gone against the US and three ended with no improvement - the US side has won just once.

More than a third of the US Senate wrote to President Clinton in January, warning that a negative decision in the pork case "could have grave implications for pending cases".



Boeing's production line for 767 which it hopes China will buy

## Boeing looks for more lift from Chinese orders

By Daniel Green in London  
and Lynne Curry in Beijing

BOEING is trying to follow last week's \$800m aircraft sale to China with further orders of a similar size.

The Clinton administration is nearing a decision on its Most Favoured Nation status trade policy toward China at a time when the soaring US trade deficit with China remains an intractable problem. Losing MFN status would make imports more expensive, and China sees aircraft purchases as a way of buying political goodwill.

Boeing, too, has a strategic need to sell to China. While loss-making western airlines are cancelling orders, China has the world's fastest growing aviation market. Air travel rose last year by about 30 per cent, and there has been a surge of smaller regional airlines. Over the next decade, experts forecast China will need 50 aircraft a year to meet passenger demand.

That demand has already led to a series of orders by Beijing for Boeings. The \$800m contract was for 20 737-300 aircraft and one 757-300.

Boeing is hoping Beijing will now buy wide-bodied 767 aircraft, which can carry 280 passengers, as well as its yet-to-be launched longer range 777 aircraft, which seat 380 people.

This is not the first time Beijing has sought to use aircraft buying as political leverage. With its recent purchase of 12 Airbus and options for more through Germany, it showed it could bypass France, the headquarters of Airbus. China has attempted to blacklist French manufacturers in retaliation for the sale of Mirage jets to Taiwan last year.

Both Airbus and Boeing want Chinese sales to plug the gap in aircraft deliveries over the next 2-3 years until profits at western airlines recover. The stage is set for a tough battle for one of the world's few fast growing markets, but the winner could emerge through a political decision in Washington in June.

Finair, the loss-making Finnish national airline, has taken a step towards replacing its 44-strong fleet of McDonnell Douglas and Airbus aircraft with Boeings by the end of the decade, Hugh Carnegie writes from Stockholm.

The airline, 70 per cent state-owned, said it had signed a letter of intent with Boeing and International Lease Finance Corporation to restructure the fleet based on the Boeing 767 long-haul and 737 short-haul families of aircraft. Discussions would be completed within three months after which Finair would decide whether to proceed.

## EC brushes aside French doubts on Japan car pact

THE European Commission yesterday played down the significance of French concern about the recent EC-Japan deal on exports of Japanese vehicles to the Community during 1993, writes Andrew Hill in Brussels.

Mr Gérard Longuet, French industry minister, and Mr Alain Lamassoune, minister for European affairs, have written

to Mr Martin Bangemann, the EC industry commissioner, expressing worries about the deal, which should lead to a 9.4 per cent drop in the number of Japanese cars and vans exported to the EC this year.

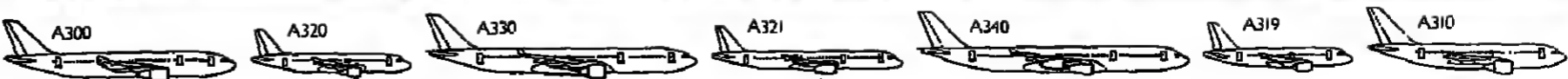
The Commission has not yet received the letter, but officials said yesterday they believed the concerns were mainly "technical".

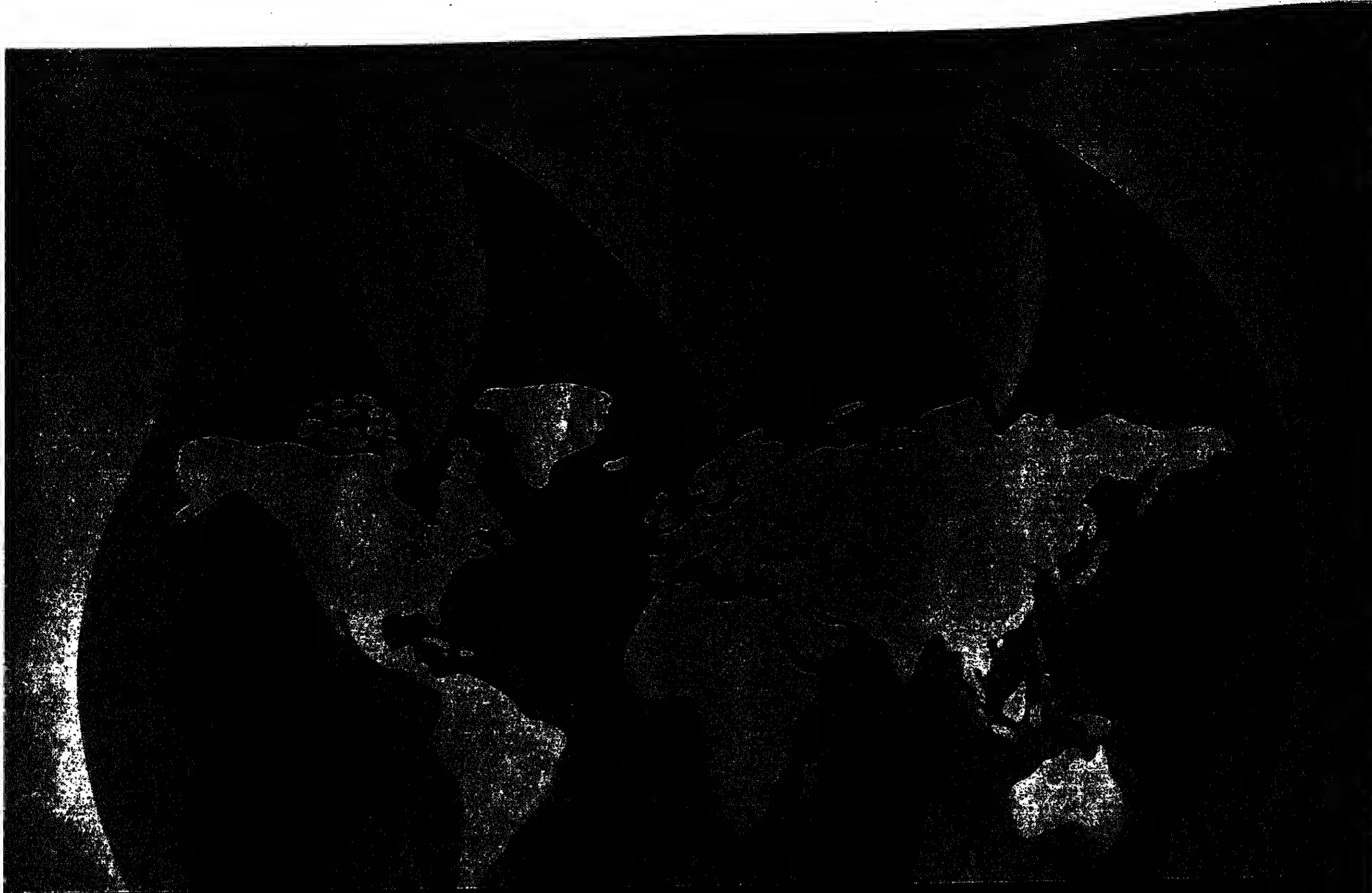
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New industry

Bank chief says he cannot do without corporate jets

## Attali defends EBRD spending on aircraft

By Robert Peston and Daniel Green

MR JACQUES Attali, President of the European Bank for Reconstruction and Development, has rejected claims that the London-based bank had spent excessive sums on hiring executive jets.

Mr Attali, who is facing mounting criticism over internal spending at the bank, said it would be impossible for him to do his job without the use of private jets.

"I am sorry, I cannot do without it," he said in a recent interview. Such aircraft were needed, he claimed, for trips which were incompatible with commercial airline schedules.

He gave an example of his schedule from 25 March to 28 March, when he flew from a meeting with the Prince of Wales, who was inaugurating the bank's head office, to Bucharest in Romania, for an environmental meeting. Then he went to Paris and from there to Hamburg. Finally he flew to Moscow where he had breakfast on the 29th with Mr Boris Yeltsin, the Russian Deputy Prime Minister.

Mr Pierre Pissaloux, budget director at the EBRD, said that he is careful to keep the cost of renting jets under control. Each time Mr Attali needs an aircraft, three charter companies are asked to submit bids. The bank recognises that



Jacques Attali: denies jet charters were extravagant

an hour to charter.

The bank recently called for tender offers for a chartered Learjet from at least one London area air charterer.

It also wanted details on the British Aerospace 125 jet, which can carry six or seven people in luxury but costs about £3,000 an hour to charter.

One air broker yesterday described the BAe 125 as "the Rolls-Royce of private aircraft" and the Learjet as "the Mercedes".

Private jet charter is a business that thrives on secrecy as much as economics. Corporate dealmakers like to own or charter private jets to conceal their movements from potential rivals who may monitor the public areas of airports.

Mr Brian Wigham of consultancy, International Bureau of Aviation, says that private charterers buy "convenience and security".

Air charter brokers justify the costs of chartering by calculating the hourly worth of a top executive to an employer. Against a deal worth millions, the cost of a charter is small.

British Airways uses similar arguments on the price of a ticket on Concorde. At more than £5,000 for a return flight between London and New York, it is more than twice the price of a first class ticket.

Editorial comment, Page 15

## Government refuses to change oil tax plans

By David Lascelles, Resources Editor

THE government yesterday stood firm on its controversial reforms of North Sea oil taxation, confirming in the Finance Bill that it would not yield to industry pressure to change the proposals put forward in the budget last month.

Under the bill, the rate of Petroleum Revenue Tax (PRT) will be reduced from 75 per cent to 50 per cent on existing

oil and gas fields, and abolished on those given government consent after the budget.

For new fields, however, current rules which allow oil companies to set new exploration and development costs against profits from existing fields are also to be abolished. Transitional arrangements are proposed to cushion the changes: contracts entered into before the budget will continue to be eligible for relief for two years.

The tax reforms were said by

Mr Norman Lamont, chancellor of the exchequer, to be necessary to encourage oil companies to become more efficient in both drilling for oil and gas, and extracting it.

The existing rules were "anachronistic", he said, and belonged to a time when oil prices were high and the typical oilfield was very large. The changes would transform what was effectively a tax subsidy for oil explorers to a revenue earner for the Treasury: the

yield in 1994-95 would be £300m and in 1995-96 £400m.

Mr Lamont's proposals have already been welcomed by large North Sea operators like BP which maintain that the old tax regime discriminates against large producers.

But they were strongly opposed by exploration companies who claimed the new taxes would discourage drilling and cost thousands of jobs.

Although some oil companies said yesterday they were

disappointed by the bill, they pointed out that further changes might still be possible as the oil lobby gears up to influence the debate.

The UK Offshore Operators Association (UKOOA) which earlier warned that the changes would "put a substantial burden on the industry" declined to comment on the Finance Bill yesterday. A spokesman said the association would be discussing its contents with members.

## Manufacturing output grows 1.2%

By Emma Tucker, Philip Stephens and Michael Cassell

FRESH EVIDENCE that the UK is emerging from recession came yesterday with news that manufacturing output increased sharply in February.

Output rose by 1.2 per cent compared with January, the third successive monthly increase. The rise took manufacturing output to its highest levels for 18 months and prompted the government to come close to an official declaration that the economic recession has ended.

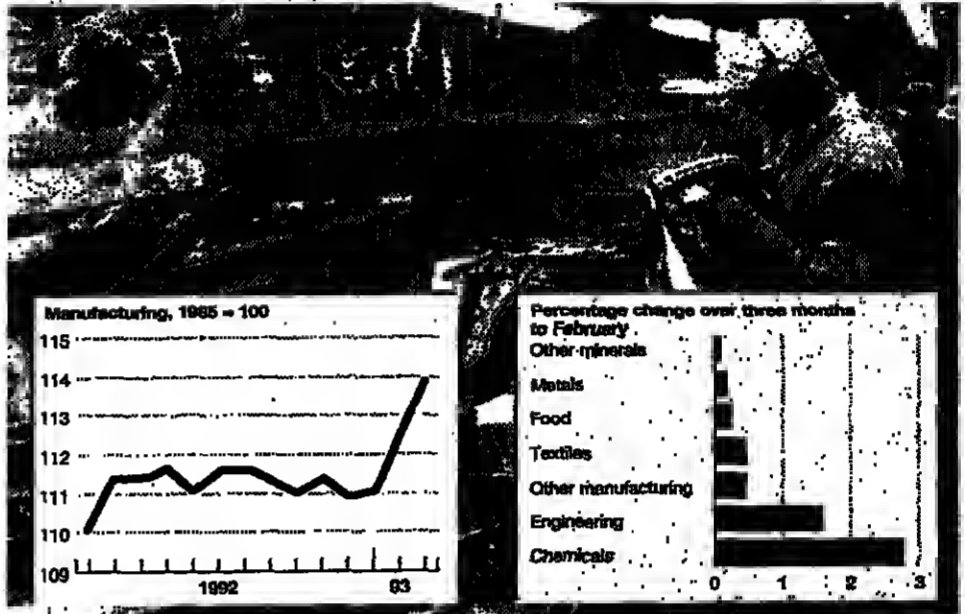
The Central Statistical Office figures brought an unequivocal assessment from 10 Downing Street that the recession was over. A senior official said it was now clear that "we have a much more broadly-based recovery".

Optimism about the economy was reflected in British Steel's decision yesterday to announce a second round of price increases for the year. Price rises announced in January and implemented in recent weeks have been accepted by customers and fully implemented, unlike last year when they failed to stick.

The up-beat news on the economy was underlined by a report from the Confederation of British Industry and Coopers & Lybrand. This found business confidence in the financial services industries has "strengthened markedly" for the second successive quarter. Business volumes have fallen back slightly compared with the previous quarter, but the rate of decline was slowing, said the report.

On the foreign exchanges, the much better than expected

Sharp rise in UK manufacturing output



industrial production figures prompted a 1 1/2 pfennig rise in the pound against the D-Mark, although sterling fell back later to close just 1/4 of a pfennig higher at DM2.4700. The figures failed, however, to inspire share prices. The FT-SE 100 share index closed down 4.7 lower at 2,842.1.

The sharp month-on-month rise in manufacturing output was backed by a sustained rise over the three months to February, a measure which gives a better picture of underlying trends. According to the seasonally adjusted figures from the CSO, manufacturing output rose by 1.2 per cent in the three months to February,

compared with the previous three months. Compared with the same period a year ago, output was 1.5 per cent higher.

The increases were broadly based across all seven categories of manufacturing industry, with the strongest growth occurring in the chemicals and engineering industries. Energy output was 2.1 per cent lower in the three months to February, mainly because storms disrupted oil production.

Speaking in Tokyo at the G7 meeting, Mr Norman Lamont, chancellor of the exchequer, said the figures were "excellent".

"Provided costs are kept under firm control - and yes-

terday's producer price figures suggest they are - the prospects for manufacturing over the coming months are very bright indeed," he said.

British Steel, which reported modest increases in sales over the last six weeks said it would raise prices for strip products by up to 9 per cent in July. Although the latest increases will add to fears about renewed inflationary pressures, the company stressed that since 1990 steel prices had fallen by up to 35 per cent. The rises were only a step towards restoring still inadequate levels of return, it added.

Economic viewpoint, Page 14

## Criticism of EC bill escalates

CRITICISM of British legislation to ratify the Maastricht treaty escalated yesterday as MPs complained that chaotic management of the bill's passage through parliament has left them ignorant of what amendments they should be voting on, writes David Owen.

On the eve of the measure's return to the Commons, Mr Peter Shore, the veteran Labour Euro-sceptic, called on Mr Michael Morris, deputy speaker, to clarify the position as early as possible when today's debate gets under way.

Mr Shore said he would be adding his voice to cross-party calls for Mr Morris to reconsider a decision not to allow a vote on Labour's amendment 27 - which would remove the protocol containing Britain's opt-out from Maastricht's social chapter.

Mr Jack Cuoniogham, Labour's chief foreign affairs spokesman, was last night due to see Mr Morris in person to plead the case for a vote.

If the deputy speaker did reverse his decision, the vote - which could deal a severe blow to the government - would probably come later tonight.

If he sticks to his guns, there would be a vote on a separate Labour clause to prevent powers being transferred under the bill until MPs had decided whether the social chapter should apply to the UK.

Defiant Tory rebels were expected to meet to discuss tactics today before the committee stage resumed.

## Daf team in talks with receivers

By Kevin Done, Motor Industry Correspondent

THE management team trying to acquire the Leyland Daf truck assembly plant at Leyland, Lancashire, has started formal negotiations with the administrative receivers.

Mr John Gilchrist, who is leading the buy-out team, said yesterday "a number of offers of funding support" had been received from leading financial institutions.

The MBO team has also received a letter of intent from

Daf Trucks in the Netherlands for the supply of its UK-built range of Leyland Daf light trucks to the Dutch company's European dealer network.

The team is also negotiating with the receivers on behalf of Lancashire County Council, which wants Lancashire Enterprises, its economic development agency, to develop the Leyland site as a business and high technology park.

The MBO team is seeking to secure the use of the truck assembly plant itself, but the remainder of the 230 acre site

contains other industrial buildings including the Leyland components plant and the Leyland Daf headquarters building, Lancaster House.

Mr Gilchrist said the joint bid would give the truck business a future and contribute to the regeneration of the Leyland site. The bid from the management buy-out team was in its final stages. Negotiations were expected to continue for several days, but it was hoped that agreement could be reached by the end of the month.

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## NEWS: UK

# Britain faces rail strike as talks collapse

By Robert Taylor,  
Labour Correspondent

BRITAIN'S state railway network will be closed tomorrow with a second 24 hour strike after the breakdown of talks between British Rail and the main rail union the RMT last night.

Hopes of a settlement of the dispute - over union demands of guarantees for no future compulsory redundancies and use of contract labour - faded during the course of the day as attitudes hardened.

There is now the grim prospect of an escalation in the conflict. British Rail chairman Sir Bob Reid has warned he will take retaliatory action against the unions if they go ahead with the stoppage. BR is set to lose a further £10m gross and freight business contracts worth £11m are at risk as a result of tomorrow's stoppage.

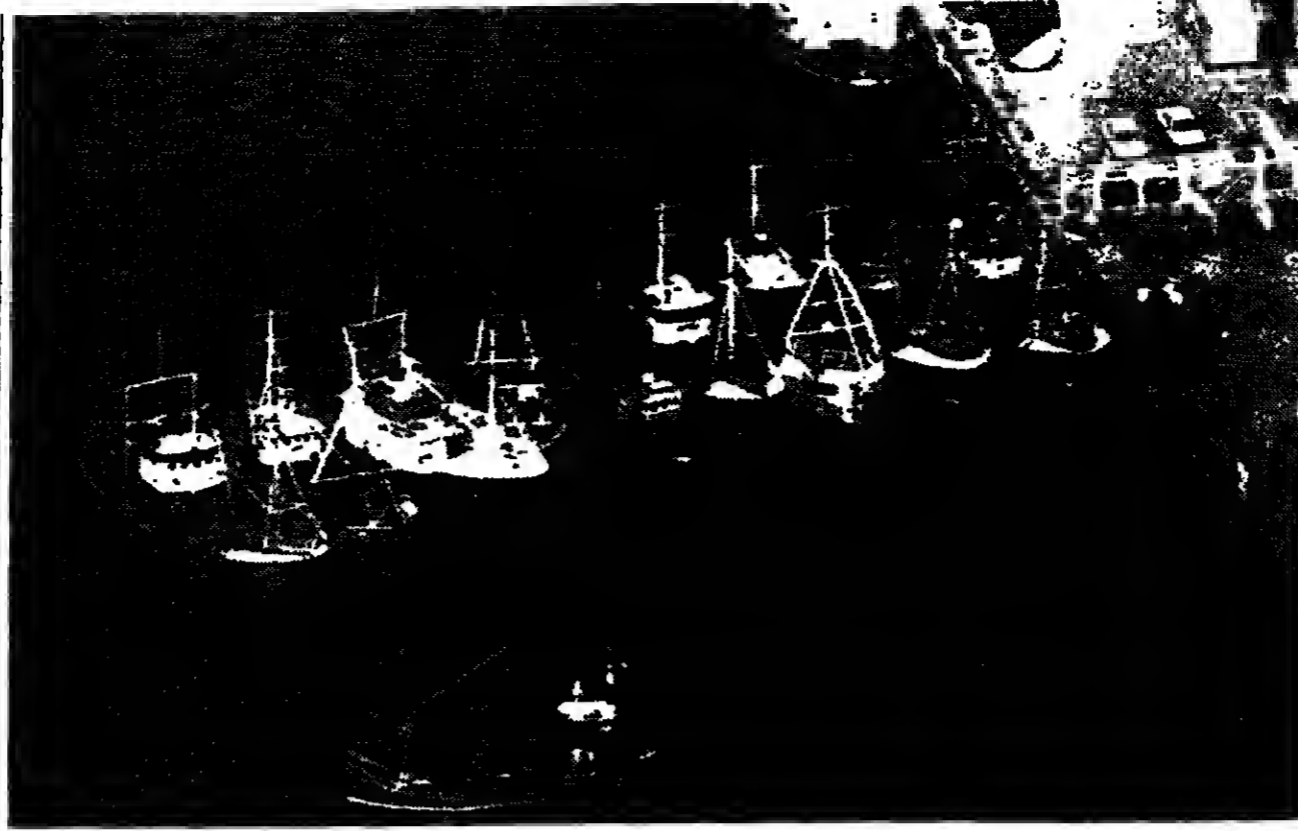
Hopes the stoppage could be averted grew briefly after BR admitted yesterday that there could be no compulsory redundancies in the railway industry - the point of dispute.

The admission, which stems from an agreement signed eight years ago, emerged as talks resumed to try and resolve the dispute over the threatened strike.

BR produced a 1985 agreement with the rail unions to back up their claim that the dispute was not about compulsory redundancies as the rail unions have claimed.

The agreement, a copy of which they released yesterday, provided assurances that no rail staff would lose their jobs provided they "accept an offer of alternative employment which might involve a change of work or might require them to move to another place of employment".

The more difficult issue concerns the use of contract work on the railways as the network is privatised. At present around 40 per cent of track maintenance work is done under contract. BR has told the RMT nobody will be made compulsorily redundant as a result of contracting out work but if necessary they would redeployed to other work.



THE Mersey estuary in north west England became the target yesterday of the third river blockade in less than a month by fishermen campaigning against the government's fisheries policy, writes Chris Tighe.

The six-hour blockade by more than 30 trawlers of the estuary (above), which provides access to the ports of Liverpool, Garston and Manchester, provided the fisher-

men with further publicity for their campaign against cheap fish imports and the new Sea Fish Conservation Act, which will restrict the number of days they can go to sea.

Blockade organiser Mr Bill Madine predicted afterwards that a meeting this Saturday of the executive committee of the National Federation of Fishermen's Organisations, representing most fishermen in

England and Wales, is likely to back further action.

A government spokesman denied its resolve was melting; moves to conserve fish stocks would continue, he said. "The best way is to bring in conservation measures which, unfortunately for the fishermen, includes restriction on days at sea, a decommissioning scheme and other technical conservation measures."

## Britain in brief



### Orimulsion imports set to continue

BP Bitor, the sole importer of Orimulsion to the UK, is expecting to keep sales at existing levels during the next few years, casting doubts on government assertions that consumption of the bitumen-based fuel is likely to fall.

Mr Stuart Johnston, BP Bitor commercial director, says the company aims for sales to continue at about 1.3m to 1.5m tonnes a year for the next few years and hopes to increase beyond that by the end of the century.

The ambitions of BP Bitor, a joint venture between BP and Petroleos de Venezuela, will cause concern at British Coal which is already struggling to find a future for 12 pits relieved by the government last month. In the coal policy document, launched after the public outcry over previous pit closure plans, the government said it had been informed by the Venezuelan authorities that Orimulsion exports were likely to stay at their minimum contractual level for the foreseeable future.

general of the OFT, said yesterday the future conduct under the Fair Trading Act of Mr Simon Clarke and Mr Lawrence Werner would be "carefully monitored".

Club Riviera was compulsorily wound up in the High Court on February 3 this year. In July 1992 the OFT revoked the company's consumer credit licences, the first time the OFT had taken such action against a timeshare company.

### Business advice centre decision

The government has decided on the locations of 16 pilot one-stop business advice centres which will form the core of a national network of 200 "one-stop shops".

A disproportionately large number are in north-west England and the Midlands.

Mr Michael Heseltine, trade and industry secretary, is expected to announce the names of six areas which have successfully tendered to operate a "one-stop shop". Nine will be granted official recognition if they modify their business plans and a special case, central London, which will receive additional funds to carry out further development work. The six areas likely to be awarded one-stop shops are South and East Cheshire, Manchester, Birmingham, Hertfordshire, Tyneside and Warrington.

### British Sherry changes name

"British Sherry" is to be called Fortified British Wine from the end of 1995, the British Wine Producers' Committee has decided.

Disagreement over the name almost reached the European Court of Justice last year. Spain argued that UK excise duties were used illegally to discriminate in favour of British sherry, which contains less alcohol than the Spanish variety.

Spain dropped the court action when the Government promised to stop calling the British product "sherry" after 1995, and to reduce the duty difference to 25 per cent by the end of 1996.

### Resolution bid on pit closures

British Coal seems certain to ask the High Court to resolve a dispute over 10 pits earmarked for early closure unless three of its four main unions have a change of heart in the next few days.

Following a High Court ruling that its original closure plans were illegal, the corporation has given the unions until today to respond to its latest proposal on consultation procedures.

This involves the appointment of a single scrutineer to study all closures "in a single procedure", rather than each one individually, as suggested by the National Union of Mineworkers.

### Thomas Cook joins fare war

Thomas Cook, one of Britain's biggest travel agents, gave a new twist to the business fares war by offering yet bigger savings to its corporate clients in exchange for a fee.

Mr Bill Kirkwood, sales and marketing director, suggested that savings of up to 40 per cent were possible on corporate travel bills. He said, however, that this would set back the agency's traditional income, derived from a 9 per cent commission on the price of an air ticket.

### Labour targets unemployment

Unemployment has risen five times faster in Conservative-controlled counties than their Labour counterparts, the opposition party claimed as it opened a fresh line of attack in its local election campaign.

Launching a survey on the "success" of Labour councils in protecting companies and jobs, Ms Harriet Harman, the party's finance spokesperson, said Labour administrations had made a difference for business despite "disastrous" Tory economic mismanagement.

The party also used a mid-campaign press conference to reinforce its principal election message that Labour councils provided better services and cost local taxpayers less.

### Expectations on inflation fall

Expectations about inflation have fallen since the start of the year, according to the Treasury's monthly monetary report released yesterday. The report says there are "continuing downward pressures on inflation" in spite of signs of stronger economic demand.

The recent growth in M0, the narrow measure of the money supply, indicates the 4 percentage point drop in interest rates since September "is having an increasing impact on spending," according to the report.

### Undertaking on timeshare

The Office of Fair Trading has received written undertakings from two businessmen involved in the collapsed Club Riviera timeshare company that they will abide by various consumer protection laws.

Sir Bryan Carsberg, director

### Tide power scheme studied

Tidemills to harness fast-flowing sea currents around the coast could supply almost one fifth of the UK's electricity needs, says a report commissioned by the Department of Trade and Industry.

The report, by a group led by Engineering and Power Development Consultants, a subsidiary of Balfour Beatty, the civil engineering group, says the main potential for "tidal stream energy" lies in the Pentland Firth, between the Scottish mainland and Orkney - where tidal currents can run at up to 12mph - and around the Channel Islands in the English Channel.

The Pentland Firth alone could supply three times as much electricity as hydroelectric power stations, at present Britain's biggest source of renewable energy, with 1,000MW of installed capacity.

### Accommodation for rail strike

InterCity, the high speed division of British Rail, is offering commuters facing disruption in Friday's rail strike overnight accommodation in its sleeper carriages.

Rather than see its fleet of 125 Pullmans standing idle at Paddington station, InterCity is offering sleeper accommodation for commuters tonight and tomorrow. Cost is £20 a night for a shared cabin and £30 a night for a single cabin.

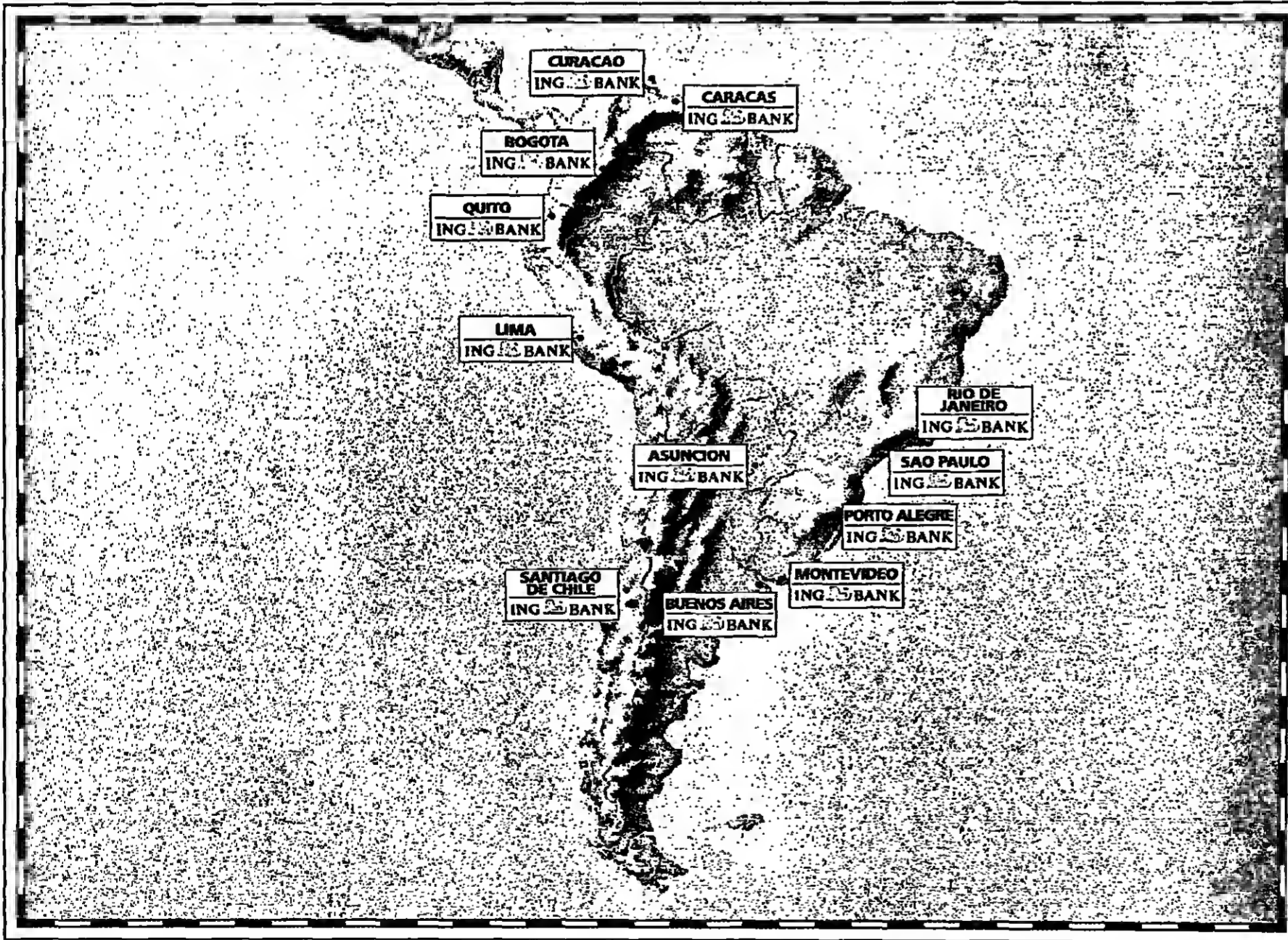
### Movie diner scraps sharks

Plans for a shark tank at London's Planet Hollywood restaurant have been scrapped after architects found the fish too unreliable.

The theme restaurant, due to open in the West End on May 17, includes exhibits from movies Terminator 2, Rocky and the handcuts from 9½ Weeks, but architects Blair Eastwick abandoned plans for a live shark exhibit. "Baby sharks cost a small fortune and you have no guarantee of an extended lifetime with those fish," said a spokesman.

Visitors to the London diner will enter the James Bond room through a gun barrel. The 20,000 square foot project is the fourth member of the international chain with outlets in Los Angeles, New York and Cancun, Mexico. Actors Bruce Willis, Sylvester Stallone and Arnold Schwarzenegger are expected to visit London to open the new venture.

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مكتبة النخيل

Nicole Dickenson looks at a growing consumer trend

## Catering for the ethical shopper

Companies have long responded to green consciousness by making concern for the environment an important business objective. But a growing number of consumers claim to base their purchasing decisions on a much wider range of ethical issues.

David Grayson, managing director of the business strategy group at Business in the Community, uses the term *vigilante consumer*, coined by US trend-spotter Faith Popcorn, to describe consumers who are not just interested in the products or services they buy but the behaviour of the company behind the brand and the way the product or service is developed.

Vigilante consumers are a powerful force in the US, where the Council of Economic Priorities, a consumer group, has sold over 4m copies of its booklet *Shopping For a Better World*. This lists companies which have scored top marks on their record on issues ranging from animal testing to links with South Africa. The UK edition launched by the publishing house New Consumer in September 1992 has sold just 7,662 copies. But Grayson asserts that these consumers are a growing and vocal minority. A Mori survey showed that the number of consumers who rated a company's activities in the community as very important has grown from 33 per cent in 1991 to 35 per cent in 1992.

Sceptics say there are already signs that the prolonged recession has blunted the impact of green consumers. But proponents of the vigilante consumer argument maintain that ethical concerns will become integral to corporate decision-making in the 1990s.

Grand Metropolitan has long taken the view that corporate ethics affect consumers' purchasing decisions. Its public policy issues scan system in the US - a forward-looking data base of consumer concerns - tracks a wide range of issues that go beyond the food and drink industry. The most pertinent issues that are likely to arise in the next three to five years are sent to Grand Met's operating companies to assess their likely impact. Managers then decide whether to change policy, lobby government or direct efforts into re-educating the public.

Raymond Kreuse, senior vice-president of government and community affairs at Grand Met, believes the company's system is more sophisticated than its rivals. It is also expensive - updating the data every three years can cost \$1m (\$662,000) - but Kreuse claims there is a tangible benefit. He points to Grand Met subsidiary Green Giant which identified in 1989 that the use of CPDs in freezing vegetables was a legitimate issue of public concern. It began phasing them out that year before individual states imposed taxes on their use and public concern reached fever pitch.

Levi Strauss, the jeans manufacturer, believes companies must scrutinise their business practices and those of their suppliers, retailers and business partners. Last year Levi issued global sourcing guidelines setting out new terms of engagement with suppliers and retailers, excluding those operating in countries with "oppressive" regimes.

The same principle is being tentatively taken up by Premier Beverages, a division of Premier Brands. Last year the company became aware of growing public and staff concern over the employment policies of its tea suppliers. In February Premier Beverages launched its fair trade initiative of selecting plantations on social and environmental criteria and placed the "Caring for tea and our tea pickers" logo on all Typhoo tea packaging.

Dragon International, a London-based marketing design consultancy, says consumers are often unaware of companies' ethical policies, and that responsible companies can benefit from promoting their good deeds.

Last December, Timberland, the shoe manufacturer, ran an advertising campaign against racism in the US and Germany in partnership with charitable bodies. In the US, Timberland linked up with Boston-based organisation City Year which is campaigning for the public to

## GIVE RACISM THE BOOT.



Timberland, the shoe manufacturer, has taken an ethical stance against racism.

help regenerate inner cities. The press ads did not just publicise Timberland's stance on racism but encouraged consumer support for the City Year project. It set up a phone line manned by employees and received 300,000 calls a week. Companies which have been the target of consumer boycotts are increasingly on the defensive. Nestlé has been the target of a long-running campaign by the interna-

tional Baby Food Action Network over its practice of promoting bottle feeding in the developing world. Although Nestlé says the campaign has not had a discernible impact on UK sales, figures from market research organisation Nielsen show that Nestlé's share of the instant coffee market dipped to 40 per cent in 1992 from 41 per cent in 1991 when the Church of England Synod lent its voice to the boycott.

last year was 25-30 per cent.

Given public demand for well-known names and orchestras, many of Naxos's cost-savings could not be replicated by the large companies. But Heymann believes the big producers could still cut costs if they were less profligate. Naxos has no champagne signing ceremonies, he says.

"I'm not critical of the majors because of their prices," he says. "With the way they operate, they need those prices. I'm critical of the way they operate. Paying an artist a \$50,000 advance for a recording that will sell 10,000 copies is crazy."

Michael Skapinker

## The man who would make kings

Christina Lamb on a campaign to sell royalty to the Brazilians

Helio Bloch is a kingmaker. Not, he hastens to explain, in the metaphorical sense used for US political consultants with presidents to sell, but with a real throne in his sights.

Next Wednesday Brazilians will vote in a plebiscite on whether to restore the monarchy. Bloch, from the Rio-based Meff advertising agency, is in charge of mustering the support of those disenchanted with the 104-year-old republic. "It's the first time this century that anyone has tried to sell a real king," he says.

The plebiscite, in which Brazilians must also vote on whether to change the current presidential system to a parliamentary model, is breathing life into Brazil's recession-hit advertising industry, with three leading agencies mulling a return to the fold.

Every night for the last two months monarchists, presidentialists and parliamentarians have been trying to sell their wares in a fixed 20-minute slot of free airtime to Brazil's 85m voters.

The task for their creators is more challenging than most advertising campaigns, even of a political nature, because they are not marketing a product but a concept, one that is hard to grasp by a largely uneducated population.

Bloch explains: "This is very different to traditional political campaigns where one is simply selling a new face or new platform for a party already established in the public mind. In the UK, for example, John Major could be sold as the new face of Conservatism without having to explain what being a Conservative means. I'm having to sell a whole new idea."

Although latest polls show the monarchists registering only 17 per cent of the vote, Bloch is confident. His main selling point is the success of monarchy in modern world, using Spain and Japan as examples. Brazil's history also plays an important part in Bloch's attempts to "establish the credentials of monarchy". "Brazilians have a very good image of the last Emperor Dom Pedro II," he says. "He paid his own bills, the coun-

try had total liberty of speech and was very advanced with amongst the world's first railways and telephone systems."

Bloch's third weapon is what he calls the "collective subconscious". He explains: "Everything good in Brazil is royal, thus Pele is known as king of football, Roberto Carlos [a top singer] is the king of music and Xuxa [the leading children's presenter] is the queen of children."

With less than \$1m (\$662,000) at his disposal, Bloch elected to spend most of the money on short commercials, concentrating on these three points. Under the slogan "Help Brazil recover its majesty", recurring themes in these commercials are the absence of inflation and corruption during Brazil's 67-year-period as a monarchy compared with today's rapid inflation and rampant bribery.

Despite Bloch's well-acclaimed campaign, the republicans are far ahead. Surprisingly, support for presidentialism has not been dented by the corruption scandal which led to the impeachment of President Fernando Collor.

Sergio Amado from Denison, the São Paulo-based agency running the campaign, uses the national anthem and footage of important mass protests of the past to come over as the more patriotic choice. He uses the Collor scandal as a benefit of the system: "We decided we must confront the issue so we used the theme 'You the people elected him and you the people took him away'."

With more than \$5m to spend, Amado hopes to get seven out of 10 votes, partly through attacks on the other systems, attacking the monarchy for slavery and blaming the disastrous experience of parliamentarianism in 1962-63 - when the country had three prime ministers in one year - for the subsequent military coup.

The big loser is parliamentarianism with a diabolic campaign involving too many talking heads trying to explain the concept of parliamentarianism and division of powers to a largely illiterate population. So desperate are the parliamentarians that they are offering voters the chance of another referendum after five years.

While large music groups continue to insist their compact disc prices are fair, one Hong Kong-based company sells CDs at less than half the price and claims to be twice as profitable.

Naxos, an independent classical label, says it sold 5m CDs worldwide last year for about £4.99 each. Although there is a wide range of prices in the UK, CDs featuring well-known performers can sell for nearly three times the Naxos price.

Klaus Heymann, Naxos's founder and owner, says the secret of cheaper CDs does not lie in reducing manufacturing costs. Although the company has its headquarters in Hong Kong, it manufactures in

Germany, Japan and the US.

Heymann says to reduce costs by manufacturing in lower-wage countries would hurt Naxos's sales in Asia. "The south-east Asian market will only buy CDs made in places like Japan and Europe - preferably Germany," he says. It costs \$80 to manufacture a CD, even in Japan and Germany. As the large music companies never tire of pointing out, manufacturing is a small part of the cost of producing a CD.

Heymann says he has some advantages over large companies when it comes to manufacturing.

The company owns no factories. It contracts out all its manufacturing. Its repertoire is classical rather than popular, so that demand is more predictable.

But Heymann says he makes savings elsewhere. He does not use well-known performers such as Luciano Pavarotti and Herbert von Karajan. Instead he searches for artists who are keen to reach a wider public. Naxos orchestras include the UK's Northern Chamber Orchestra and the Budapest Symphony. Naxos performers are paid a flat fee rather than royalties.

Naxos, unlike the large record companies, does not produce more than one version of any particular piece of music.

With staff of only eight people in Hong Kong, Heymann estimates his overhead costs are only \$5 for each CD sold, compared, he says, with more than £1 for the large companies.

He sells his CDs to distributors around the world for £1.70 each. They sell them to retailers for an average of £2.78.

Heymann says that his net profit margin on sales of \$20m (£13.2m)

## The sound of cheap CDs

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All enquiries should be addressed to: Financial Times Conference Organisation, 102-108 Clarendon Road, London EC1M 6SA. Tel: 071-814 9770 (24-hr answering service) Telex: 27347 FTCONF G, Fax: 071-873 3975/3969.

### INVITATION

For the submission of Expressions of Interest for the purchase of the Assets of "VOMVIX, SILK INDUSTRY AND TRADE P. Svolopoulos & Chr. Koutoubis S.A." of Athens, Greece

"Ethniki Kephalaou S.A. Administration of Assets and Liabilities" of 1, Skouloustr. Athens, Greece in its capacity as Liquidator of "VOMVIX, SILK INDUSTRY AND TRADE P. Svolopoulos & Chr. Koutoubis S.A." a company with its registered offices in Athens (the "Company") currently being liquidated under the "special liquidation" provisions of law 1892/90, invites interested parties to submit within twenty (20) days from the publication of this Notice Non-Binding Written Declarations of Interest for the purchase of one or more of the groups of assets of the Company as described below.

#### BRIEF INFORMATION

The Company was founded in 1933 and was in operation until 1990, when it was declared under liquidation, according to the "special liquidation" provisions of L. 1892/90, as modified by L.2000/91. Its activities included the production, processing, marketing and exportation of textiles and fibres.

#### GROUPS OF ASSETS OFFERED FOR SALE

Interested parties should declare their interest in the purchase of one or more of the following 5 groups of assets of the Company:

1. A cotton spinning and weaving mill in Avlaki (Fthiotida, Stydia) consisting of several buildings, of approximately 18,000 sq.m., standing on a plot of 171,450.50 sq.m., and containing machinery, mechanical equipment and stock.
2. A synthetic (nylon-polyester) and helanca fibres producing factory in Penistiri, Athens, consisting of a dyeing unit, a finishing unit and other buildings, of approximately 40,000 sq.m. standing on a plot of 34,041 sq.m. and containing machinery, mechanical equipment and stock.
3. A plot of 156,582.90 sq.m. in Enofeta, Thebes.
4. A plot of 2,013 sq.m. in Athens
5. 99 "Privileged Company of General Warehouse of Greece" Certificates, concerning goods pledged to the National Bank of Greece S.A.

#### SALE PROCEDURE

The sale of the Assets of the Company will be by public tender in accordance with the provisions of article 46a of Law 1892/90 and the terms mentioned in the invitation to be published in this respect in the Greek and Foreign Press on the dates stipulated by the law.

#### SUBMISSION OF DECLARATIONS-OFFERING MEMORANDUM-FURTHER INFORMATION

For the submission of declarations of interest, as well as for obtaining the Offering Memoranda for each of the groups of assets mentioned above and further information please refer to the Liquidator of the Company "Ethniki Kephalaou S.A. Administration of Assets and Liabilities" address: 1, Skouloustr. 105 61 Athens, Greece, tel: + 30-1-323.14.84 Fax: + 30-1-321.79.05 (ettn: Mrs Marica Frangaki).

### INVITATION

For the submission of Expressions of Interest for the purchase of the Assets of "VOMVICRYL SOC. ANON. INDUSTRIELLE ET COMMERCIALE DES FIBRES ACRYLIQUES" of Athens, Greece

"Ethniki Kephalaou S.A. Administration of Assets and Liabilities" of 1, Skouloustr. Athens, Greece in its capacity as Liquidator of "VOMVICRYL SOC. ANON. INDUSTRIELLE ET COMMERCIALE DES FIBRES ACRYLIQUES" a company with its registered offices in Athens (the "Company") currently being liquidated under the "special liquidation" provisions of law 1892/90, invites interested parties to submit within twenty (20) days from the publication of this Notice Non-Binding Written Declarations of Interest for the purchase of one or more of the groups of assets of the Company as described below.

#### BRIEF INFORMATION

The Company was founded in 1973 and was in operation until 1990, when it was declared under liquidation, according to the "special liquidation" provisions of L. 1892/90, as modified by L.2000/91. Its activities were comprised of the production, exploitation and trade of every type of fibres and textiles. The company is not in operation, neither is any personnel being employed.

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FINANCIAL TIMES  
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## TECHNOLOGY

In the office, at home, in the car, in a briefcase, the facsimile machine has crept into everyday life. But few companies have any policy on the way fax machines are used, or even know how much they cost to use.

"The true bottom line of running a fax machine is never known. There is no centralised control whatsoever in many companies," says Meredith Fischer, vice-president of marketing at Pitney Bowes fax division. "It's time to start setting fax policies," she continues. If not, she warns, companies "will continue to bleed money".

Companies which have set a fax policy have noted tremendous financial savings coupled with improved management control.

CT Bowring, one of the UK's largest Lloyd's insurance and reinsurance brokers, installed a centralised fax switch from Comwave. Clement Ltd, UK director of Marsh and McLennan Information Services, which owns CT Bowring, reports substantial savings - £500,000 over five years is a "conservative" estimate, he says. Nor does that take into account the tremendous increase in the number of faxes sent - up from 1.2m pages a year to 2m.

Although the boom years for fax equipment are over, the use of fax machines is spiralling upwards. A survey conducted by Gallup for Pitney-Bowes shows a remarkable surge over the past year. In 1991-92, Britain's top 1,000 companies reported sending an average 40 documents a day; this year, that figure was up to 50 documents. "Unless something fundamentally changes in the way we use fax there is really no escaping that volumes will go up," says Fischer.

Fischer argues that companies are slow to calculate the accumulating costs of faxed documents. She advocates analysing for each machine the number of pages received and sent and the proportion of those received on thermal paper which are then photocopied. "If you don't go through this process you don't know what you're spending. The numbers get so huge, everybody laughs at you."

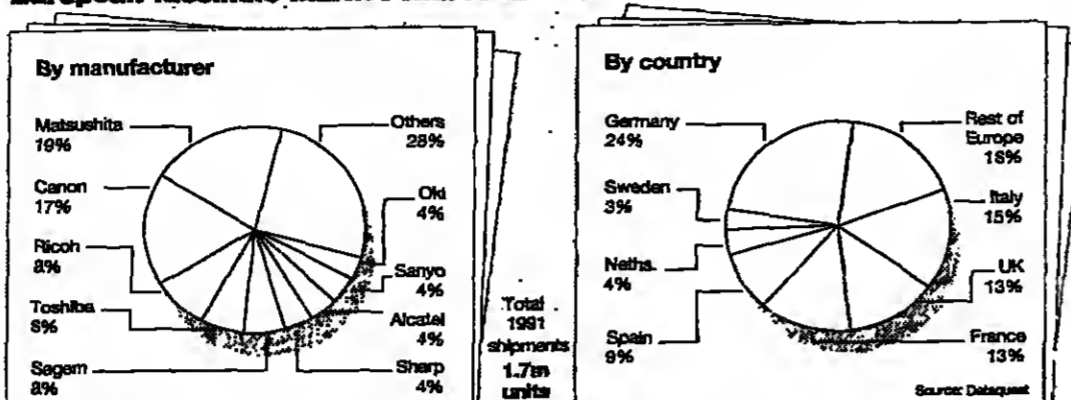
At the most basic level, there is the decision about whether to swap cheaper thermal fax machines for machines which use photocopier paper. Recessionary times have forced down the price of plain paper faxes to around £2,000, scarcely more than thermal machines.

Savings can be made by switching to plain paper ones "in the right application", says Andrew James, consultant at BIS Strategic Decision - that is, where lots of faxes need to be photocopied if a thermal fax machine is used. Taking secretarial costs and paper into account, Fischer reckons that it costs 50p to copy each document.

The humble fax machine may be costing more than most companies think. Della Bradshaw reports

## A message about savings

European facsimile market shares in 1991



Steve Robinson, marketing manager for fax at Rank Xerox, believes that when the 1m thermal fax machines bought in the UK over the past four years are replaced, they will be ousted by plain paper machines. Such optimism is borne out by Dataquest, the IT research consultancy. "The middle market of the high-end thermal machines has been killed off," says industry analyst Jeffrey Goldberg.

Whereas 1992 saw the predominance of laser fax machines, which use laser printers to print out the document, Goldberg believes 1993 will be the year for inkjet fax machines, where tiny dots of ink are squirted on to the paper. Inkjet technology is cheaper than laser equipment, but each sheet received works out to be more expensive. Other types of machines can produce greater savings, even if many

of those are difficult to quantify. A fax card, fitted into the back of a PC, costs about £500 but enables the user to send a fax directly from the PC. There is no need to print out the document or hover over the fax machine to ensure it is sent. Offices with larger PC networks can give users access to fax technology at their desktop. Some systems need an operator to guide each incoming fax to the correct recipient but others attach a code to the fax number to identify the individual PC.

## Fax for advertisers

A perennial problem for advertisers is to ensure that readers, listeners or viewers of their commercials phone up for more information. Freephone telephone numbers are "instant", but they are expensive to operate.

LBC, the Independent London radio station, is pioneering a service in the UK which is considerably cheaper to operate than traditional "phone-in inquiry services" and is available to anyone with a facsimile machine.

Advertisers give a fax number at the end of their commercial and supply LBC with the documents to send to listeners. When the consumer telephones the number the document is automatically transmitted.

The cost to the advertiser is £25 per week for the telephone line plus 15p per minute for the calls. "The advertisers have control of the costs," says Rob Cole, chief sales manager for LBC. "If they want to send 10 pages of information it's up to them. If they can squeeze all the information on to one sheet then it's much cheaper." The caller pays the cost of an ordinary telephone call.

The Q-fax service works because almost every fax machine in the country has a little-used function known as "polling". During the transmission of a normal fax message the transmitting machine first sends out a message giving its identity. With polling, the other machine recognises this number and then sends back the required document.

Henry Fletcher, managing director of Eurofax Communications, which offers the Q-fax service, believes it could be used to support many kinds of advertising and promotion.

Cole believes the initial interest, however, will be for business-to-business advertisers. He cites the example of financial advisers who can use the radio to advertise generic services and then send details, including all the small print, by fax. "It makes radio a much more measurable medium," he says. "It's existing technology but with a major twist."

DB

## Breathing life into the oilfields

The Brent field is making world oil history, writes James Buxton

Shell UK rolled out the superlatives last week when it announced a £1.3bn project to extend the life of the Brent field in the North Sea. It said the project was unique, a landmark in world oil history and the biggest single project undertaken in the history of the UK North Sea, with the possible exception of the development of Brent in the first place.

The scheme, which Shell and its subcontractors have already begun, is aimed at extracting more oil and a great deal more gas from the Brent field, already the biggest combined oil and gas field in the UK North Sea. It means Brent should still be in production by about 2010, instead of closing as originally planned in 1993.

The project entails reducing the pressure in the field, by making large modifications to three of its four production platforms. Depressurising an oilfield is almost unheard of, but depressurisation is standard practice in gas fields. What is happening is that Brent is gradually being converted from an oilfield into a gasfield.

Shell UK believes this operation has been carried out on an oilfield only once before, on a tiny scale in the US. The Brent redevelopment is unique because of its scale and because it is being carried out in the notoriously hostile waters of the northern North Sea - about 120 miles off the Shetland Islands. The field will remain in production at a reduced level during the five years the work goes on.

Though the work will be carried out on the vast steel platforms, its effect will be felt in the unseen world of the hydrocarbon reservoirs, lying between 8,700 and 9,400 feet below the seabed. The two reservoirs, one above the other, consist of porous sandstone which contains oil in which gas is dissolved.

In common with most reservoirs, pressure in Brent was high when Shell began producing in 1976. This helped the oil to flow through the wells up to the platforms, but so that pressure was maintained as oil was removed, water was pumped in, a standard oilfield method known as water-flood. The high pressure locks the

gas into the oil and currently the gas is separated from the oil on the platforms, which are really offshore process plants. The theory behind depressurisation is that the gas is allowed to come out of the solution of oil and gas naturally.

The first stage of depressurisation, beginning in 1997, after two of the platforms have been converted to low pressure facilities, is to stop injecting water. The reservoir pressure will begin to fall, liberating increasing amounts of dissolved gas from the oil. However, to prevent the reservoir ceasing to produce oil at all, some gas will be injected into the wells to bring the fluid up to the platforms for separation.

The second stage - deep depressurisation - will begin early in the next century. This time, pressure will be allowed to drop further by limiting the flow of water into the reservoir from the aquifer which lies underneath it.

To do this the wells and pumps which were previously used for injection will be used to extract water, supplemented by submersible pumps.

By the end of the operation in about 2010 the pressure in the reservoir should have fallen to 1,000lb per square inch (70 times atmospheric pressure at sea level) from the 5,500lb per sq inch in 1997.

To make the operation possible the Brent Bravo, Charlie and Delta platforms will each be shut down for a year to remove redundant gas separation and compression equipment and install new process modules. Brent Alpha will be upgraded but not converted to low-pressure operation. All four will be refurbished and upgraded for longer life and new safety standards.

By the time the Brent field is abandoned, some 56 per cent of all its oil and 80 per cent of its gas should have been recovered. Brent's recoverable gas reserves should have been boosted by 1,500bn cu ft to 5,400bn cu ft, and its recoverable oil reserves increased by 3bn barrels to almost 2bn barrels, the equivalent of adding a small oilfield and a medium-sized gasfield to the UK's hydrocarbon reserves.

## PEOPLE

### Interventionist climbs Whitehall ladder



Taking a further step up the Whitehall career ladder is Robin Mountfield, 53, who is to become the Treasury's new deputy secretary in charge of civil service pay and management. The job provides a broad perspective of the civil service and has been used in the past to train promising mandarins for the top Whitehall role of permanent secretary.

Mountfield, who has been at the Treasury for less than a year after a 19-year stint at the DTI, is currently head of the Treasury's industry division.

For most of his civil service career Mountfield has been known as an unashamed interventionist, who was thrilled by his 1970s job of taking the aerospace industry into state ownership. It is testimony to his flexibility of character and good nature that he continued to prosper during the *laissez faire* years of Lady Thatcher.

With the UK government now stepping up efforts to make Whitehall more sympathetic to the needs of industry, Mountfield probably feels his star is in the ascendancy. Taking over from him as head of the Treasury's industry division, which also carries the rank of deputy secretary, is Steve Robson, 49, who is currently in charge of the Treasury's public enterprises group and is an expert on public expenditure.

Mountfield replaces Michael Scholar who becomes permanent secretary at the Welsh Office. Scholar displaced Hayden Phillips, who left the Treasury to become permanent secretary at the Department of National Heritage.

### Alas... poor Warwick

Colin Mayer is returning to Oxford for the second time since his undergraduate days, this time as Peter Moores professor of management studies, a flagship post for the university's new business school.

It was only at the beginning of this academic year that Mayer took up the chair of economics and finance at Warwick; but he says that the Oxford position was "made available a bit earlier" than expected. There will be some overlap in the jobs, as he has agreed to see out his responsibilities at Warwick for the next academic year as well, while formally starting in Oxford next April.

As deputy director responsible for the school's academic development, he will report to the director of the School of Management Studies, Clark Brundin. The two have crossed paths before, when Mayer read engineering science and economics, Brundin was one of the lecturers; later, when Mayer was appointed to the Warwick job, Brundin was vice-chancellor.

Of the Warwick connection, Brundin comments: "It was

genuinely pure coincidence. I chaired the committee that appointed him to Warwick, but it is not proper to go headhunting in one's old institution." Instead Mayer's name was put forward by a member of the electoral board.

Mayer, 39, worked in the Treasury for two years before taking up a fellowship at St Anne's College, Oxford. More recently he was professor of corporate finance at City University. He has researched extensively into the effect of financial systems on corporate activity, and says he is shifting focus now more towards relations between companies - cross-shareholdings and the like.

Aside from research, he sees his new role as "attracting the very best academics and helping to design first-rate courses".

Oxford is now looking for a deputy director in charge of the MBA programme, at Reader level.

Keith Ward has been appointed to the new post of professor of financial strategy at Cranfield School of Management.

Although it is relatively unusual for a fund manager to appoint the same chairman to all its investment trusts, McAndrew says that "it is the way we have historically done it". He did not think the practice raised any corporate governance issues and stressed that the boards of the Murray trusts were made up of independent non-executive directors. Unlike some competing trusts, his fund managers did not sit on the boards of the Murray trusts.



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As from the beginning of this month John Baird, Oliver Farley, Nick Gynaor, David Hutchinson, Richard Millward, Jonathan Flory, Mark Hyman, Jakob Kinde, Ben Morgan, Konstantin Von Kitzing, John Ball, Mahmood Jumbay, Allan McKenzie, Douglas

Rouse, Victor Hallé and Stephen Jack have been appointed directors of KLEINWORT BENSON Ltd. Murray Davey, Bob Griffin and Simon White have been appointed directors of Kleinwort Benson Investment Management.



Patsy Bloom, managing director of Pet Plan, was yesterday named the 1992 Vevee Clicknet Business Woman of the Year. Her company, which specialises in insuring small animals and horses, was set up 16 years ago with a £250 loan when Bloom discovered that no company would insure her dog. Pet Plan now holds 51 per cent of the small animal market and a large slice of the leisure horse market; the concept is franchised in Italy and Canada. Turnover has increased from £7.8m in 1989 to a projected £20m in 1992.

Previous winners of the award include Anita Roddick, founder of the Body Shop, and Ann Gloag, founder of Stagecoach.

Murray Johnstone, the Glasgow fund manager, has reaffirmed its strong Scottish roots by appointing Royal Bank of Scotland chairman Lord Younger (right) as its investment trust figurehead. Lord Younger, 61, a member of the George Younger brewing family and former secretary of state for Scotland, has been appointed chairman of Murray Income Trust, Murray International Trust, Murray Smaller Markets Trust and Murray Ventures, the four main trusts which are man-

aged by Murray Johnstone and which also control the firm. He takes over from Sir Ian Denholm, 65, the Scottish shipowner, in the chair since 1985. Nick McAndrew, Murray Johnstone's chairman, has known Lord Younger since their school days together. "I asked him if he would like to have a job on the west coast as well as the east coast, and he accepted," says McAndrew, who notes that Younger lives halfway between Murray Johnstone's base in Glasgow and the Royal Bank's Edinburgh headquarters.

Although it is relatively unusual for a fund manager to appoint the same chairman to all its investment trusts, McAndrew says that "it is the way we have historically done it". He did not think the practice raised any corporate governance issues and stressed that the boards of the Murray trusts were made up of independent non-executive directors. Unlike some competing trusts, his fund managers did not sit on the boards of the Murray trusts.



مكتبة جامعة القاهرة

# Cinema/Nigel Andrews

## Dustin Hoffman versus Our Lady of the Lingerie

Dustin Hoffman in *Accidental Hero* plays a petty crook seized by a sudden surge of selfless bravery. One rainy night he rescues 54 people from a burning plane.

There he is, juddering through outer Chicago in his noisy-wheeled car, when the steel monster falls from the sky. Soon the passenger plane is lying across the road, its fuselage steaming, its drooping snout caricaturing Dustin's own. With a sigh our hero climbs from his car, dons his \$100 shoes, slashes through the rain, does his bravest, then vanishes into the night.

This movie has everything. Comedy, drama, air crash, lovable superster, script by David (Unforgiven) Peoples, and the wonderful Geena Davis as a survivor-newsreporter who sleuths after the "accidental hero." Yet we keep thinking, "When is it going to start?"

Rhythm is the most elusive of movie qualities and it is missing-presumed-fled for most of *Accidental Hero*. Just when the story has begun to make sweet music with its contrapuntal portraits of Hoffman, the gutter-bred crook trading in secondhand better and stolen credit cards, and Davis, the high-flying journo seeking a "human interest" scoop, a third character ruthlessly interlopes. This is Andy Garcia,

underscripted and underplayed as a sweet-natured bobo who claims a newspaper's \$1m reward by claiming he was the phantom rescuer. (He has come into a vital piece of evidence.)

And just when we think the story is dancing brightly, caustically to the themes of press-and-media folly and the paradoxes of heroism, in come disruptive stretches of *andante* (Garcia romancing Davis) or *adagios* of soggy folk wisdom exchanged between Hoffman and his young son.

British director Stephen Frears usually goes straight for the verbiage of human behaviour. His best films - *My Beautiful Laundrette*, *The Hit*, *Dangerous Liaisons* - present human beings demotically, sardonically, as chattering egos and appetites on legs. But a large-budget Hollywood project brings its own baggage of populist bet-hedging. *Accidental Hero's* cluttered plot and style testify not just to the three names in the "original story" credit (Laura Ziskin and Alvin Sargent as well as Peoples) but to a desire to provide something for everyone. Schmalz with the cynicism; romance with the misanthropy; young pretender (Garcia) with ageing superstar.

The result is less a healthy balance of ingredients than a recipe for frustration. By final

reel the movie has become mercilessly multi-directional. Newsbound Davis shuttles between her two hero suspects: Hoffman shimmies between anonymity and limelight; minor characters yell for their last two cents' worth of screen time (Chevy Chase's newspaper editor, Joan Cusack as ex-Mrs Dustin). And let us throw in a final suspense vignette with Hoffman and Garcia teetering on the high ledge of a skyscraper. It is at once too much and too little. As so often in cinema, "something for everyone" means not enough for anyone.

The week's only other release is *Body of Evidence*, a large, squishy, self-important object masquerading as a movie. The star is Madonna, whose screen career continues to take two steps backward for every one step forward (*Dick Tracy*, *A League of Their Own*). Here *Our Lady of the Lingerie* is accused of using her body to murder a rich old

man who died in the throes of sexual ecstasy.

True or not, she is soon doing much the same to defence counsel William Defoe. He has no defence against a woman whose love techniques range from dripping hot wax on his genitals to coupling on a tea. Joe Mantegna, Anne Archer and other worthies stand about the courtroom doing the where-were-you-on-the-night-of-routine. Then it is back to the handcuffs, hot wax and car bonnets. If Mr Defoe were a Chevrolet he would be in mint condition by the end of this film.

In a thin movie week - no, let us call it skeletal - you can always read about films rather than seeing them. My spring bookshelf is buckling under the new movie tomes: not least those representing that major modern trend, the "So-And-So on Himself" monograph.

Best of these are *Malle On Malle* (Faber, £14.99) and *Levinson On Levinson* (Faber, £8.99). Both are short on preamble and long on substance. In the first, editor-interviewer Philip French gives us a brisk prefatorial trip through Malle's early life - born into the Beghin sugar dynasty, educated by Jesuits (see *Au Revoir Les Enfants*), baptised as a

ACCIDENTAL HERO  
(15)  
Stephen Frears

BODY OF EVIDENCE  
(18)  
UB Edel

### Theatre/Malcolm Rutherford

## Order and chaos in Arcadia

With the possible exception of Michael Frayn, Tom Stoppard has long been the wisest of contemporary British playwrights and one of the longest running. His *Rosencrantz and Guildenstern are Dead* opened at the National Theatre over 25 years ago and has been an international success ever since. Of the British dramatists who came to the fore in the early 1960s, only Harold Pinter has kept up with him in terms of reputation.

Stoppard can cope with a complex brief, like the moral philosophy in *Junkies*, which was reviewed in the *Sunday Times* not only by the theatre critic but also by the philosopher A J Ayer. It has been said that he regards writing a play as an examination. "He spends ages on research, does all the necessary cramming, reads all the relevant books, and then gestures the results. Once he's passed the exam - with the public and the critics - he forgets all about it and moves on to the next subject."

In *Arcadia*, his subject is higher mathematics, not forgetting his work on physics in *Happgood*. The production, directed by Trevor Nunn, is flawless. The lighting by Paul Pyant is immaculate. There is nothing much wrong with the acting, but I wish I could say more for the play.

Stoppard has always written about the contradictions and apparent similarities between order and chaos. Here he takes on too much, some of which is not remotely theatrical. There is the love life of Lord Byron and landscape gardening. The presentation of non-linear mathematics will seem self-evident to anyone who tries, however distantly, to follow economics. Others will find it distracting in a play that wanders between the early 19th century and the present. Nothing is proved; not much happens.

Kenneth Tynan suggested a rule about Stoppard is that



A very good actress: Felicity Kendal as Hannah Jarvis

"the shorter the play, the harder it is to summarise the plot without sounding unilingual." *Arcadia* defies the Tynan dictum. It runs for over three hours, yet the plot is unclear. No-one knows who made love to whom, nor is there any reason to care. Byron never appears. Instead there is a minor poet called Chatter who does not look or sound like a poet at all. There is also a landscape architect named Noakes who, played by Sidney Livingstone, might develop into an interesting character if allowed to do so. Stoppard cuts him off.

The modern bit - to use a Stoppard word - is a travesty. There is a don called Bernard Nightingale (played by Bill Nighy) who no more

resembles a scholar than Chatter resembles a poet. The name, so similar to that of the chief theatre critic of *The Times*, may be a private joke by Stoppard. It is not very funny. Bernard Nightingale is one of the weakest parts. Benedict Nightingale would have written the lines much better.

There is also Felicity Kendal who is a very good actress. She plays an author who has written about Byron. Why she is so cold to those about her is left, like so much else, uncertain. Possibly this is the cooling theory of the universe.

The paradox is that some of the lines and situations are very good, but none of them comes from Stoppard's erudition. Most belong to Mr Keen, such as her response to the gardener advising her to

advertise for a hermit to put in his hermitage in the newspaper. "But surely a hermit who takes a newspaper?" This is the Stoppard of old, and there is not enough of it.

Still, do not be deterred. Here we have the National Theatre trying to be witty and serious at the same time and an audience willing to it succeed. It's a near miss. Tynan would have cut it. He wrote that 10 days before first night *Junkies* was running close to four hours. Told by Lawrence Olivier that Stoppard would object, Tynan as dramaturge imposed the cuts unilaterally: no-one demurred and it became a much better play.

Lytelton Theatre. Sponsored by Digital Equipment Co Limited.

### Concert/David Murray

## New York Philharmonic 150th anniversary season

Under their new-ish music director Kurt Masur, the NYP played the Royal Festival Hall on both Monday and Tuesday. Monday's was the solid programme Mozart, Strauss's *Die Frau ohne Schatten* and the Second Symphony of Brahms. On Tuesday, besides Samuel Barber's familiar Adagio we got only Dvorak's "New World" Symphony (probably a bigger draw in the New World than in London now), and a wholly unfamiliar work by a Sino-American composer: plenty of room left for encores, and many seats going spare at 540.

In distinguished form for its 150th anniversary season, the NYP was a continual pleasure to hear. And not only in the departments where all the best American orchestras excel - brilliantly reliable brass, strong, trusting cellos, ultra-precise rhythms all round; but in Masur the orchestra has found, after some post-Bernstein ups and downs, just the *echt*-European musician they needed and deserved ("at this point in time", as they might say).

Most of those other orchestras are hapless when loud and dazzling, and a few of them cultivate a dramatic pla-

nissimo too. Masur, however, seems to have made the NYP sensibly, gracefully at home with all the gradations in between. Even in their Strauss it wasn't the extremes that counted most, but the main argument - steady, temperate, scrupulously shaded, with each orchestral section contributing a unanimous voice. They seemed two or three times as

tom the polyphony sounded vital, fluent and pointed, at once densely expressive and sunnily transparent. To judge ears it came as a tonic and a hugely professional revelation. It flowed cogently, glowed and convinced.

Strauss's *Till* was more "interesting" than persuasive. Masur's natural sympathies do not run to unbuttoned fun. We

World" seemed to aspire beyond its homely deserts ethnic cosiness is not Masur's forte, toward a slightly fictitious grandeur, despite Thomas Stacey's dewy *cor anglais* solo in the Largo. "Bright" Sheng's *Hun* (his American forename translates his Chinese "Liang", and the title means something like "wounds") proved to be a bitter epitaph for the Cultural Revolution, through which he lived in his teens before he fled in America in 1962. From a standpoint of Political Correctness, his 20-minute piece is faultlessly sincere; first, variously shrill evocations of horror (with Chinese bass drum), and then numb, grievous reflections.

On first hearing, nonetheless, *Hun* struck me as short-breathed and under-composed. Further acquaintance might discover deeper patterns; or perhaps its patterns respond too closely to the folk-music of Qinghai Province on the Tibetan border, where Sheng spent his formative years, for Western ears to cotton on to them easily. While the passing sounds were pungent, the musical sense remained opaque, bitty and generalised.

### The NYP is a continual pleasure to hear . . . brilliantly reliable brass

## Royal Opera House forecasts operational surplus of £266,000 for present financial year

The Royal Opera House is projecting an operational surplus of £266,000 for the financial year 1992-3.

At yesterday's press conference, Sir Angus Stirling, the ROH Chairman, was in a quietly bullish mood as he revealed how the house managed to confound gloomy forecasts for the period.

The sum had been achieved by a "year of steady endeavour" - economies in night-work, Sunday rehearsal and over-

time, a wage freeze from last September, and alteration of the performance schedule by means of production cancellations and extra performances.

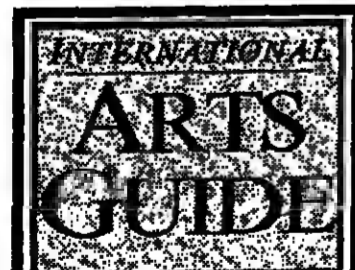
The opera and dance companies have notched up an average 85 per cent capacity, more than the house's achievement previously, which compares very favourably with the West End's 64 per cent during the same period. The surplus, together with an anonymous donation of £500,000 (the first

part of a gift of £2.5m, which is to be spread over the next three years), will go further toward reducing the accumulated deficit. Since the house is also budgeting for a surplus in 1993-4, they expect that deficit to be eliminated by the end of the next season.

At the same time as giving these figures, the ROH published a response to the recent Arts Council Appraisal under Baroness Warnock in the form of a point-by-point listing of

the committee's recommendations - the majority accepted by the management - together with the steps that have already been taken to implement them. Among these is the decision to revise the constitution of the ROH Board so as to render it more accountable: in future, all appointments will be made with the approval of the Heritage Minister.

Max Loppert



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Gran Teatre del Liceu Next Mon: Lamberto Gardelli conducts first night of Honori Rodriguez Aragon's staging of *Il trovatore*, with Aprile Millo, Dennis O'Neill and Vicente Sardinero. Runs with alternating casts till May 4 (412 3532)  
● Information and booking for cultural events available through Caixa Catalunya from 08.00 to 14.00 (810 1212)
- **BOLOGNA**  
Teatro Comunale Mon: Suk Chamber Orchestra. April 26: Kalichstein Trio. April 30: first night of Rigoletto (529999)
- **GENOA**  
Teatro Carlo Felice Tomorrow: Zoltan Pesko conducts first night

- of Giuliano Montaldo's new production of Turandot, with Ghena Dimitrova. Runs till May 2, next performances on Sun afternoon and Tues. April 29: Solti conducts London Symphony Orchestra (589329)
- **LONDON**  
**THEATRE**  
● As You Like It: revival of David Thacker's acclaimed RSC production of Shakespeare's comedy. Previews from tonight, opens next Wed (Barbican 071-638 8891)  
● Macbeth: Alan Howard tackles one of the phantasies of Shakespearean tragedy in a production directed by Richard Eyre (National Olivier 071-928 2252)  
● The Treatment: Lindsay Posner directs a new play by Martin Crimp, a ferocious satire on the movie business. Previews from tonight, opens on Tues (Royal Court 071-730 1745)  
● Present Laughter: Tom Conti stars in Noel Coward's stylish comedy as Gary Essendine, a successful actor and philanderer at the centre of a tightly-knit theatrical circle. Opens on Mon for one week only (Richmond Theatre, British Rail or tube to Richmond station, 081-940 0088)  
● The Gift of the Gorgon: Peter Shaffer's new play weaves together a contemporary story of passionate love, professional achievement and estrangement between a volatile writer and his wife. Judd Dench stars, Peter Hall directs (Wyndham's 071-867 1118)  
● The Importance of Being Earnest: Maggie Smith as Lady

- Bracknell in a star-studded production of Oscar Wilde's most popular comedy (Aldwych 071-836 6404)  
● For ticket information about West End shows, phone Theatreline from anywhere in UK: Plays 0836 430955 Musicals 0836 430980 Comedies 0836 430961 Thrillers 0836 430982. Most London theatres are closed on Sunday.
- **OPERAS/DANCE**  
Covent Garden Jeffrey Tate conducts a final performance of Fidelio tonight, with Josephine Barston and Josef Protschka. Tomorrow and Sat: Royal Ballet performances of Minkus' *Don Quixote*. Next Mon and Fri: Charles Mackerras conducts WNO production of Tristan and Isolde with Jeffrey Lawton and Anne Evans. Tues and Thurs (in repertory till May 7): David Atherton conducts Lyubimov production of *Jenfa* with Nancy Gustafson and Anja Silja. Wed and Sat: WNO production of *La Fanciulla* (071-240 1055)  
● Coliseum ENO repertory consists of Jonathan Miller's production of *The Mikado* and the Pountney production of *Queen of Spades*, with Graeme Matheron-Bruce, Janice Cairns and Patricia Payne. David Alden's new production of *Arriantide* opens on April 28 (071-836 3161)  
● Sadler's Wells Tonight, tomorrow, Sat: ARC Dance Company presents *Artic*, a new piece of theatrical dance by Kim Brandstrup, based on Shakespeare's *Hamlet*. Next Mon: opening of two-week season by D'O'ly Opera Company (071-278 8916)  
**CONCERTS**  
South Bank Centre Tonight: Franz

- Weiser-Möet conducts LPO in Kurt Schwedter's Violin Concerto (Sergei Stadler) and Mahler's Ninth Symphony. Tomorrow: Günter Wand conducts BBC Symphony Orchestra in Schubert's Eighth Symphony and Bruckner's Ninth. Sat: Mariss Jansons conducts LPO in works by Smetana, Tchaikovsky, Strauss and Ravel, with violin soloist Itzhak Perlman. Sat (QEH): Friedrich Cerha conducts Ensemble Modern in works by Cerns, Eisler, Ligeti and others. Sun: John Lubbock conducts Orchestra of St John's Smith Square in works by David Bedford and Sadeo Beliku. Mon: South African saxophonist Bhele Mseleku. Tues and Wed: Anne Sophie Mutter plays Sibelius' Violin Concerto with LPO. Tues (QEH): National Westminster Choir in sacred music by Bruckner and John Rutter. Next Thurs: Mikhail Pletnev conducts Philharmonia Orchestra (071-928 8800)  
● Barbican Tonight: Markku Blankensjö directs Chamber Orchestra of Europe in Vivaldi's Four Seasons and Tchaikovsky's Serenade for Strings. Sat: Günter Herbig conducts RPO in a Beethoven programme, with violin soloist Mayumi Fujikawa. Sun: Ivan Fischer conducts COE, with piano soloist Andreas Schiff. Mon: Itzhak Perlman violin recital (071-638 8891)
- **MADRID**  
Auditorio Nacional de Musica Tonight: Cristóbal Halperín conducts Queen Sofia Chamber Orchestra in works by Haydn, Hauff, Mozart and Mendelssohn, with violin soloist Christiane Edinger. Tomorrow, Sat: Sun: Victor Pablo Perez conducts Spanish National Orchestra and

- Chorus in works by Shostakovich, Lammur and Stravinsky (337 0100)  
● Teatro Lirico La Zuzuela Next Tues: Antonio Ros Marba conducts first night of Emilio Sagi's production of *Die Zauberflöte*, with Joan Rodgers, Robert Tiet, François Le Roux and Robert Lloyd. Repeated April 22, 23, 25, 26, 28, 30 (429 8225)
- **MILAN**  
Teatro alla Scala Tomorrow, Sat, Sun, next Tues: Riccardo Muti conducts Franco Zeffirelli's new production of *Pagliacci* with Nicola Martinucci and Denia Mazzola, coupled with Balanchine's *Stravinsky ballet The Fairy's Kiss*. Mon: Pekinen Sisters piano recital. April 27: first night of *Fedora* with Domingo (7200 3744)
- **PRAGUE**  
Dvorak Hall Fri: Belchalev conducts Czech Philharmonic Orchestra in Handel's *Messiah* tomorrow and Sat, with Lilian Watson, Felicity Palmer, John Mark Ainsley and Stafford Dean (236 0111). Next Tues: Stanislav Bogunich conducts Czech Radio Symphony Orchestra and Chorus in works by Bernstein, Krumpoholtz and Orff (232 2501)  
● Smetana Hall Sat: Miroslav Langer piano recital. Sun: Bohuslav Martinu Chamber Orchestra plays works by Marcello, Martinu, Novak and Haydn. Next Tues and Wed: Libor Hasek conducts Prague Symphony Orchestra in works by Debussy, Schumann and Brahms with piano soloist Ivan Moravec (232 2501)  
● National Theatre Tomorrow: Don

- Carlo. Sat: Dvorak's *Devil and Kate*. Mon: La forza del destino (205364)  
● For pre-booking and information about these and other events, contact city centre ticket agencies (Sluna, Wenceslas Square 28 in the passage, tel 261602, or Bohemia, Na Příkopě 18, tel 228738, or Melantrich, Wenceslas Square 38 in the passage, tel 228714) and theatre box offices.
- **ROME**  
Teatro dell'Opera Tonight: Andrea Licata conducts Mauro Bolognini's production of *Il trovatore*, with Giuseppe Giacomini, Daniela Dessi, Vladimir Chernov and Dolora Zajac (further performances on April 18, 22, 24, 27, 30, May 4, 7). Tomorrow and Sat: Giuseppe Sinopoli conducts Dresden Staatskapelle in Schoenberg's *Verklärte Nacht* and Strauss' *Ein Heldenleben*. Next Tues and Wed: Sinopoli conducts symphonies by Schubert and Bruckner. Programme subject to cancellation or change at short notice (481 7003)
- **TURIN**  
Teatro Regio Next Tues: Daniel Oren conducts first night of Alberto Fassini's production of *Adriano Lecoultreur*. Runs till May 9 with casts including Raina Kabaivanska, Stefania Toczyska, Giorgio Merighi and Carlos Chausson. April 28: Ruggiero Raimondi concert (8615 214)

- European Cable and Satellite Business TV (All times are Central European Time)  
**MONDAY TO THURSDAY**  
Super Channel: European Business Today 0730; 2230  
Monday Super Channel: West of Moscow 1230  
Super Channel: Financial Times Reports 0630  
Wednesday Super Channel: Financial Times Reports 2130  
Thursday Sky News: Financial Times Reports 2030; 0130  
Friday Super Channel: European Business Today 0730; 2230  
Sky News: Financial Times Reports 0630  
Saturday Super Channel: Financial Times Reports 0930  
Sky News: West of Moscow 1130; 2230  
Sunday Super Channel: West of Moscow 1830  
Super Channel: Financial Times Reports 1900  
Sky News: West of Moscow 0230; 0630  
Sky News: Financial Times Reports 1330; 2030
- Arts Guide  
Monday: Berlin, New York and Paris.  
Tuesday: Austria, Belgium, Netherlands, Switzerland, Chicago, Washington.  
Wednesday: France, Germany, Scandinavia.  
Thursday: Italy, Spain, Athens, London, Prague.  
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# FINANCIAL TIMES

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Thursday April 15 1993

## Doubts about the EBRD

THE CONTRAST between the grandeur of Mr Jacques Attali's self-styled "European Bank" and disbursements of a mere £200m (£125m) after two years of existence is bound to attract hostile comment. The institution is on trial. Yet it is too early to condemn it. The EBRD must be judged on whether it makes a useful contribution to reform of eastern Europe and the former Soviet Union, rather than on the magnificence of its offices or the flying arrangements of its president.

This does not mean that its housekeeping can be ignored. Some £200m was spent on its offices and overheads between April 1991 and the end of 1992. It is difficult to feel confident that the directors responsible for supervising its expenditures ensured these sums were all essential, since they are themselves beneficiaries of EBRD largesse.

In this and other respects, the problem lies more with the model on which it was founded than with the EBRD itself. Politicians complain incessantly about the "fat cat" life-style of institutions such as the World Bank. To this charge, the latter reply that many of their employees enjoy alternative opportunities in the private sector; that they are not lavish by the standards of private-sector financial institutions; and that their performance has been at least as good as that of such institutions. Populists may dislike these answers, but they have force all the same.

What makes the questions about

the EBRD's life-style more pointed is that many wondered whether it should have been established in the first place. Some argued that it would divert attention from the need to provide generous assistance and liberal market access to the newly liberated countries. To Mr Attali's credit, it is here that his bank offers a fine pulp. It may be made of Carrara marble, but he has used it well, particularly on the need for Continent-wide free trade.

Yet the EBRD cannot be justified by the ability of its president to say sensible things. The question is whether it can also become an effective lending institution.

Many believed that the EBRD's mandate to lend 80 per cent of its money to the private sector would prove a crippling handicap. Yet so far the more important obstacle to rapid disbursement has been the public sector. The EBRD is affected, like everything else, by the political chaos of most countries of the former eastern bloc. But lending to the public sector is not the EBRD's sole problem. Its desire to lend prudently clashes with the need to take risks in support of the fledgling private sector.

The EBRD has still to justify its creation. It needs to demonstrate control over its own spending, but above all it needs to lend effectively, without lending foolishly. This is a fine line to tread. It may never be possible to be sure that the EBRD serves a useful purpose. But it must make a serious effort to convince the world it does.

## Finalising Nafta

THE CLINTON administration may be right in believing that the new US Congress would throw out a North American Free Trade Agreement without the understanding it is now negotiating, the environment and labour standards. But if it wants a workable agreement, the US should be cautious about how far it pushes these additional conditions.

One reason for caution is that such side accords could have significant implications for sovereignty, not only for Mexico but for the US as well. The envisaged procedures would, after all, be usable not only against Mexico, as US lobbies desire, but by Mexicans against the US.

Furthermore, the whole point of Nafta is that the three parties - the US, Canada and Mexico - should gain from the increased economic efficiency created by specialisation. Tough side agreements could so load the dice against Mexican companies that Nafta would become more trouble than it is worth. It would be wrong and self-defeating for the US to burden a developing country with the standards of a highly developed one, themselves rather recently acquired.

In addition, dispute resolution procedures must be transparent and speedy. Otherwise, they could simply become a way for aggrieved US businesses to obtain protection. US companies are already all too well practised at exploiting such mechanisms, anti-dumping procedures being the chief example.

If it is to avoid these dangers, the Clinton administration needs to keep reminding itself of Nafta's purpose. True, the main direct beneficiary of Nafta would probably be the Mexican economy, which should enjoy higher investment, more jobs and faster growth. But these gains for Mexico would also bring important benefits to the US.

Pollution should be easier to control, for example, as the Mexican economy grows, while Mexican industry would also have less reason to cluster in the contaminated border areas. The differential between US and Mexican wages should fall, thereby slowing the flow of migrants across the border. A more dynamic and outward-looking Mexico would become an increasingly important market for US goods. Not least, the Mexican government would be rewarded for overturning years of animosity towards the US, while the political liberalisation of Mexico would be reinforced.

The most powerful economy in the world has little to fear from a free trade agreement with an economy one-twentieth its size. But it has much to gain from a stable and increasingly affluent neighbour to the south. The US may have to negotiate understandings on labour and environment in order to secure support for Nafta. But it must not deprive Mexico - and so itself - of the economic and political fruits of this agreement. The US should forget fair trade theology and remember its interests instead.

## Bosnia's agony

BARONESS THATCHER'S impassioned attack on western strategy towards the carnage in Bosnia has struck a resonant chord. Few who heard can have failed to empathise with her frustration over the horrors beamed daily to western television screens and the apparent helplessness of the international community to do anything about them. Few will have disagreed with her thesis that the west's current policy of "feeding people but leaving them to be massacred" has long ceased to be tenable. It is thus not good enough for British ministers simply to dismiss Baroness Thatcher's words as "emotional nonsense". The fact is, first, that western policy over the past 12 months has been worse than ineffective. By making threats against the aggressors without the will or means to back them up with force, it has encouraged Serbian territorial expansionism. Second, if the international community continues to stand aside, seeking to cover its dignity with the increasingly tattered flag of the Vance-Owen peace plan, the land-grabbing will continue until the vast majority of Bosnia's Muslims have been uprooted from their homes.

Baroness Thatcher's suggestion is that the UN give the Serbs an ultimatum - sign up to the Vance-Owen plan, which, though flawed, remains the only framework for a settlement on the table, or we will selectively lift our arms embargo on the former Yugoslavia in order to arm the Muslims, while providing them with air cover.

The merit of this plan is that it would answer the growing moral pressure in the west for "something to be done", without entailing the sort of commitment of ground forces that the US and its allies correctly argue their domestic public opinion will not wear. Its drawbacks are equally easy to identify. Apart from prolonging the conflict, it would hopelessly compromise the existing UN humanitarian relief operation. Even if the Serbs bowed to such pressure and agreed to Vance-Owen, it would encourage the Muslims to pravaricate in the hope of western intervention. More importantly, it would risk provoking a serious split in the UN Security Council as Russia lined up with Serbia against the west. Far from containing the conflict, it could help to turn it into a bone of contention on a much larger international scale.

That danger is what makes this such a delicate moment - especially in Washington, which is where the important decisions, if any, will be made. Thus far, the Clinton administration has seemed as uncertain as any of its allies as to how to handle Bosnia. It appears increasingly tempted to contemplate lifting the arms embargo on the Muslims - and equally worried about keeping the Russians and its allies on board. If the pressure for direct intervention in the war becomes irresistible in Washington, the challenge will be to square that circle. President Clinton will need all the cool advice he can muster.

Few subjects are more intensely discussed between European governments than immigration, asylum and refugees. There are at least 10 intergovernmental bodies dealing with those issues - 12, if one counts separately the three sponsored by the Council of Europe. Between them, they held well over 100 meetings in the course of 1992. Yet most went entirely unpublished, and very few were front-page news. Migration is an issue that governments are anxious to talk about among themselves, but preferably without being overheard.

It is a doubly embarrassing subject. Governments dare not admit to their electorates that immigration into western Europe has not only increased steadily (roughly tripling between 1985 and 1992), but will almost certainly continue to do so. Nor do they like to talk about the methods by which they try to control it, since these are often hard to reconcile with the human rights they are pledged to uphold.

Governments are sensitive to public pressure for more restrictive policies - if possible for the door to be closed completely. They know, however, that this could only be done, if at all, by methods which would be repugnant to much of that same public opinion.

Most west European countries stopped recruiting guest workers and introduced restrictive immigration policies as long ago as the early 1970s. Yet "regular immigration of foreigners" is now running at 1.3m a year, according to Jonas Widgren, co-ordinator of the Intergovernmental Consultations on Asylum, Refugee and Migration Policies in Europe, North America and Australia. The main source of this immigration is the arrival of family members joining guest workers who are already in Europe. And, as Doris Meissner, formerly a senior US immigration official, points out: "The idea that a person would be denied the right to have family members with him if his stay is for long periods is simply unacceptable in many nations."

Asylum seekers, a category which has recently had much more publicity, were still only just over half as numerous as "regular" immigrants in 1992. In fact the notion of a Europe-wide "asylum crisis" is highly misleading. The number of applications in France fell last year from 50,000 to 27,000, and in Britain, even more sharply, from 44,700 to 9,600. The real crisis is in Austria, Switzerland, and above all Germany, where nearly 440,000 asylum seekers arrived last year, and the number is still rising.

In 1992 Germany also took in 300,000 "ex-nationals" having a constitutional right to immigrate from

Edward Mortimer analyses the dilemmas and contradictions of European immigration policy

## Convenient cracks in the wall

eastern Europe and the former Soviet Union. And, according to the German government, about 310,000 people entered the country illegally - nearly 70 per cent of all illegal migrants to the European Community.

The phrase "illegal migrants" conjures up an image of people packed like sardines in small boats crossing the Mediterranean or container-trucks on Channel ferries. But much more typical, according to Clara Maria Bisegna, diplomatic adviser to the Italian immigration minister, is the cousin who comes quite legally on a family visit, then illegally finds a low-wage job in the black economy and overstays his visa. If unlucky he may be caught and deported. But in a free and open society, his chances of slipping through the net are good.

The problem is not a purely European one. The influx of people into western Europe is only a tiny fraction of the overall movement in the world. As Ms Meissner points out, "the vast majority of migrants move within their own countries, the next-largest share move across national boundaries within the less-developed world, and a relatively small share cross borders to developed countries."

To Americans, accustomed to think of themselves as a nation of immigrants, European reactions seem unnecessarily defensive. Demetrios Papademetriou, himself an immigrant, was until recently director of immigration policy at the US Department of Labor. He argues that in the "new" countries of the Americas and Australia "the process of nation-building has never really stopped", and people therefore accept that "national identities are inherently dynamic, and thus fundamentally mutable". But this idea, he says, "is strongly resisted by most intellectuals and publicists in Europe", and therefore mass immigration, especially of people coming from a different cultural background, is seen as a serious threat to national identity.

Mr Papademetriou was the opening speaker earlier this month at a conference on "the security dimensions of international migration in Europe", organised by an American

### Immigration to western Europe



ers in order to gain admission. This, supposedly, would give states the "moral courage" to kick out those whom they do not want - "ineligible immigration applicants" and "fraudulent asylum claimants". Eligible immigrants and bona fide refugees could then be made welcome and given "full equality". In due course, they would have the option of becoming naturalised citizens.

Clearly, European governments are failing in their stated objective of keeping immigration at, or close to, zero. But it is not obvious that aiming at a higher, more "realistic" number would produce better results. The fact that some immigrants are let in legally will not stop others from trying to get in illegally. On the contrary, through family connections it will make it easier for them to do so. It seems quite likely that the number of immigrants coming in will always be the number allowed plus x. In which case, if x is the number you actually want, or can more or less cope with, zero would be the logical number to allow.

What no European government can publicly admit is that illegal immigration is actually more manageable, and economically more useful, than legal immigration. Legal immigrants, enjoying all the rights accorded by the law to indigenous workers, cannot be sent home, and will soon be just as reluctant as indigenous workers are to do those "dirty, dangerous and demanding" jobs. They will naturally expect the same wages and conditions as indigenous workers, and thus lose their main attraction in the eyes of employers.

Also, most asylum seekers, even if they do not qualify in the eyes of the law, are not cynically "fraudulent". They are usually desperate people, escaping from what is by west European standards grinding poverty and oppression even if at home they were not the poorest or most oppressed. They are also usually enterprising people, willing to take risks and adapt to unfamiliar conditions. These might be the very skills an intelligently "managed" immigration policy would look for. But, again, it is convenient to keep them in that limbo of "temporary leave to remain", from which, along with their illegal brethren, they can be expelled if they cause trouble.

Those, however, are truths that no politician could tell in public. Offensive as it may be to the descendants of the Pilgrim fathers, a little old world hypocrisy may sometimes be very useful.

So argue American critics of European immigration policy. Instead of trying to stop immigration governments should seek to manage it, choosing those with the needed skills and allowing them to come in legally so that they are not "compelled" to pose as asylum-seekers.

present generation of Europeans has not produced enough children to provide it with the comfortable old age it looks forward to; hard-working, youthful immigrants will be needed to make up the shortfall. In short, Europe needs immigrants, and Europeans, according to Mr Papademetriou, are in any case too soft-hearted to keep them out. "Advanced industrial countries cannot engage in measures draconian enough to control situations which have developed their own social and economic logic and structures without doing gross violence at least to the spirit of their constitutional order."

So argue American critics of European immigration policy. Instead of trying to stop immigration governments should seek to manage it, choosing those with the needed skills and allowing them to come in legally so that they are not "compelled" to pose as asylum-seekers.

*International Migrations: a new challenge for a new era. (Draft report to the Trilateral Commission, March 1993)*

## Morning after the beer bungle



PERSONAL VIEW

Five years ago, British consumers enjoyed a great diversity of domestic and imported beer and pub prices which were lower than in most other countries. A rich variety of suppliers served the market, with a high market share. Yet the report by the Monopolies and Mergers Commission in 1989 found pub prices to be "too high", consumer choice to be poor, and viewed the market as being dominated by big brewers.

The report attributed these problems to brewers owning most of the country's pubs, where their own products were favoured, and to their offering low-cost loans to independent pubs in exchange for beer supply guarantees. The European Commission had found in 1984 that this system benefited consumers, yet the MMC recommended that large brewers should dispose of most of their pubs and that supply contracts backed by cheap loans be banned. These measures would

"increase competition in brewing, wholesaling and retailing, encourage new entry, reduce prices and widen choice". Otherwise, it believed, a few brewers would come to dominate the market.

The government partially enacted the MMC's proposals in 1989, but although beer supply continues to be competitive, retail beer prices have risen sharply, and several firms have quit brewing, including local producers whom the measures were designed to protect. Brand rationalisation continues and no new producers have entered the market. Indeed, the MMC cleared the largest brewing concentrations ever seen, involving Grand Metropolitan and Courage, and Allied Breweries and Carlsberg. Powerful pub groups are emerging, but independent pubs have closed in large numbers. Since leading brewers dominate beer markets in countries where tied houses are unknown, and leading suppliers dominate other UK consumer markets, such outcomes were always likely. So how did the inquiry produce such proposals?

The Fair Trading Act and Compe-

tition Act are both vague in defining the "public interest". MMC guidelines suggest that inquiries will focus on issues of industry structure "that operate or may be expected to operate against the public interest". No evidence of actual harm is needed. Furthermore, similar evidence may be treated as harmful in one case, but beneficial in another. Industry structure is presumed to explain and predict public outcomes. This is a dangerous assumption. Real markets are too complex to be understood by simple models, largely because they contain dynamic feedback effects - a leading firm's market share creates higher profits that can be reinvested to drive its domination still higher. Such feedback is common in many social systems, and has unfor-

tunate effects - the system behaves counter-intuitively and inconsistently, and resists simple policy changes. This alone may largely explain the unfortunate outcomes of the beer inquiry.

Problems originating in vague policy objectives and inadequate market models are compounded by the secrecy of inquiries. Inquiries into beer and petrol both spent three years collecting considerable data at great cost to firms and taxpayers. Yet most of this data has nothing to say about the practical interests of consumers. This omission leads to a largely false view of industry processes and (for beer) misleading suggestions for change. Yet these dangers are not beyond correction. Policy objectives need clarifying, with more attention being given to practical interests of consumers, such as choice, quality, service and availability, as well as price. The priority of inquiries needs to be reversed, placing the public interest at the forefront, and relegating industry structure to be one possible explanation of consumer harm, if such harm is proved. Data on consumers' experi-

ences need greater attention, as does the role of firms other than those directly under investigation. Reports need to offer a clear description of industry dynamics for open debate, and explain when and how expected outcomes will occur, whether or not any change is proposed. An explicit forecast of how the industry will evolve would focus public debate on the realism of the assumptions behind the proposals. Finally, a post-report period for public debate, combined with an open process and balanced interim reporting, would allow the trade and industry secretary to arrive at considered changes, rather than having to react quickly to what might be poor-quality proposals.

Kim Warren

*The author, who is assistant professor of strategy at the London Business School, has produced a paper, "Competition policy and the consumer interest - a comparison of recent MMC inquiries", available from the London Business School*

## Refurbishing the cabinet

■ What better way to celebrate the start of parliament's new term than to dabble in Westminster's favourite sport of picking the winners and losers in the next reshuffle.

Young hopefuls on the Tory backbenches will be ever more effusive in their public praise of the prime minister, ever more rude about rival aspirants.

The word is that John Major has yet to decide whether his game plan will be a grand reconstruction, or a cautious refurbishment. But the latter looks more likely.

Whatever else the PM does, he has to replace Tristan Garel-Jones at the foreign office; he bows out after the Maastricht treaty is ratified. And there is persistent talk that one cabinet minister is ready to step aside. But friends of Douglas Hurd dismiss speculation that their man is a quitter. The foreign secretary will stay at least until mid-1994 before departing for a lucrative writing and business career.

Michael Heseltine's aides are equally dismissive of talk that their man has been irreparably damaged by the coal industry debacle and is going to call it a day. Norman Lamont, meanwhile, has told friends he is convinced he's safe at the Treasury until next year. None of that has deterred

Observer's confidence in presenting a list of front-runners for promotion. Stephen Dorrell at the treasury is favourite to take the first vacant seat in the cabinet, but Jonathan Aitken at defence, Sir George Young at environment and Roger Freeman at transport are also showing good form.

Slightly lower down the scale, David Heathcoat-Amory is a strong candidate for the Garel-Jones job, while Tim Yeo at health and Alastair Burt at social security are among others who have earned promotion. And if Major does opt for cabinet reconstruction, watch out for David Hunt, the Welsh secretary. He deserves grander things than the principality.

### Departure time

■ The Bank of England is set to lose one of its more cerebral influences. Tony Coleby, at 57 the eldest of the Bank's four executive directors, is planning to bow out early next year, thus clearing the way for Eddie George, the governor-in-waiting, to put his own men into positions of power.

Coleby, the director in charge of monetary issues, intends to go when his four-year term ends and he turns 62. His replacement in the executive suite is likely to be 49-year-old Jan Plenderleith, a chain-smoking workaholic who is "Hard Eddie's" closest disciple within Threadneedle Street and currently in charge of market operations.

## OBSERVER



George, who takes over from Robin Leigh-Pemberton in less than three months wants to make sure - whatever the political considerations - that the government sticks to its inflation target. To help him deal with the inevitable flak, he will need the help of a similarly hard-boiled colleague.

Assuming Plenderleith makes it into the Bank's top layer, he will join a team which includes the new deputy governor Rupert Penman-Rea, 47, chief economist Mervyn King, 43, international supreme Andrew Crockett, 50, and banking supervisor Brian Quinn, 56.

Coleby, who joined the Bank in 1981, will be missed at Threadneedle Street for his erudite approach to economic affairs and a keen interest in chivalry singing. He has often brushed with George about the finer points of monetary policy - a tendency that has not always found favour with the new governor.

### Taxing question

■ John Birt is seldom floored by an awkward question. But the BBC's director-general met his match yesterday at a luncheon meeting of the International Press Institute hosted by the FT. He had just been asked about his relationship with the BBC's board of governors when an FT tea-lady marched in, fixed him squarely in her gaze and inquired in booming tones: "Mind if I clear away the lunch, dear?"

Lost for words, Birt gulped and stared blankly until the intruder retreated. "It's all right," he muttered. "That sort of thing used to happen all the time at the BBC."

### Shaw thing

■ Remember, George Bernard Shaw got there first. During the very cold winter of 1947, when he was 91, he wrote a letter to The Times, urging engineers to study ways of harnessing the "monstrous excess of power" in the currents in the Pentland Firth, which he reckoned could "electrify half of

Europe". Now the DTI is catching up. Yesterday's engineering study identified fast-flowing tidal currents, especially those in the Pentland Firth, between Caithness and Orkney, as a potential energy source.

### Just desserts

■ It seems that Russians who smuggled Iraqi asylum-seekers across the Baltic Sea to Sweden were seeking their own kind of asylum. Life in Swedish jails, they thought, was better than their cash and job-starved existences back home.

Prisoners in Sweden are paid allowances of up to 60 crowns a day even for attending a training course and may be eligible for travel grants when on parole. So now officials are considering changing the allowances to make a prison term less attractive for people from countries with a lower standard of living than Sweden.

### Austlie

■ Observer's note on the sometimes strained relations between New Zealand and its big neighbour reminded a reader of how Sir Robert Muldoon, a famous NZ premier, once dealt with complaints about the large number of his countrymen emigrating to Australia.

"At least it raises the average IQ in both countries," was the elder statesman's verdict.

## Bosnia says peace plan depends on Srebrenica

By Laura Silber in Belgrade and Robert Mautner in London

THE Muslim-led Bosnian government yesterday warned it would withdraw support for the international peace plan if Srebrenica, the besieged town near the Serbian border, was captured by Bosnian Serb forces.

As reports came in that another eight people had been killed and 21 wounded in the latest Serb artillery attack on the town on Tuesday night, the Bosnian foreign ministry said: "The fall of Srebrenica will signal the final demise of the Vance-Owen plan."

Meanwhile, the UK government was forced into defending its policy towards Bosnia as a fierce attack by Baroness Thatcher, the former prime minister, heightened tensions among members of the ruling Conservative party over the scale of Britain's involvement.

Mr Malcolm Rifkind, the British defence secretary, strongly

rejected the former prime minister's call for the Bosnian Muslims to be allowed to arm themselves - possibly setting the UK on a collision course with the US. Under the Vance-Owen plan, already signed by Bosnian Croats and Muslims but rejected by Serbs, the country would be divided into 10 semi-autonomous provinces. Srebrenica, surrounded by Serb militia, is in a region allocated to the Muslims, but which Bosnian Serbs want to absorb into their territory because it is in an area adjoining the Serbian border.

The renewed attack on Srebrenica, which followed a fierce Serb bombardment of the centre of the city on Monday during which at least 56 people, many of them children, were killed, coincided with a fresh diplomatic offensive by the US and Russia in support of the Vance-Owen plan. Both the US and Russian special envoys to the Bosnian peace talks, Mr Reginald Bartholomew and Mr Vitaly Churkin, had talks

in Belgrade yesterday with Serb and Yugoslav leaders, including President Slobodan Milosevic of Serbia and President Dobrica Cosic of the rump Yugoslavia.

Mr Bartholomew, appointed by President Bill Clinton in February to give a fresh impetus to the peace effort, emphasised time was running out for Bosnia's Serbs to sign the plan. He warned that, while the US was pursuing "the diplomatic track" for the moment, it was not prepared to wait much longer for Serbia to endorse the peace plan. If it failed to do so, Washington would very soon press its allies to help Bosnian Muslims arm themselves by a partial lifting of the UN arms embargo.

"The military action must stop, the atrocities in places like Srebrenica must stop," Mr Bartholomew said, warning that Serbia would otherwise become a "pariah state" subject to the stiffest sanctions ever imposed.

The road to Tuzla, Page 2

## Interagra applies to court for bankruptcy protection

By Alice Rawsthorn in Paris

INTERAGRA, the French farming products business which was one of the most prominent western suppliers of grain and food to eastern Europe during the cold war, yesterday filed for bankruptcy protection.

The company, founded in 1955 by the late Jean-Baptiste Doumeng, known as *le milliardaire rouge*, the red billionaire, has applied to the Paris commercial court for protection. The court will announce its judgment on Tuesday.

In its heyday Interagra made annual sales of up to FF20bn (\$3.7bn) by selling the European Community's "food mountain" - surplus supplies of subsidised grain, meat, dairy products and powdered milk - to communist countries.

Mr Doumeng built up the business by exploiting his personal connections with eastern bloc leaders. He was one of the handful of western businessmen, alongside Mr Armand Hammer, the US-based oil trader, and Mr Robert Maxwell, the disgraced British media tycoon, to operate successfully in the old communist bloc.

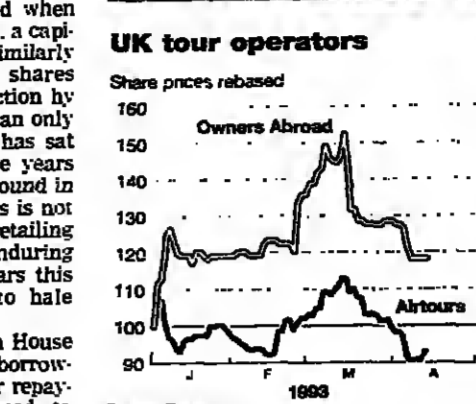
But Interagra has floundered since Mr Doumeng's death in 1987. His sons, Michel and Jean-Baptiste, who took over the business, did not have the advantage of their father's contacts. The final blow was the collapse of the Soviet Union and the UN embargo on trading with Iraq during the Gulf war, which sealed off one of its main markets for wheat and meat.

Interagra's annual sales have fallen to just FF5bn a year and its debts have risen rapidly to the present level of FF500m. The management has for some months been in discussion with its banks, which include the Crédit Lyonnais and Banque Nationale de Paris, the French state-controlled banks, in an unsuccessful attempt to secure new finance.

Four of the old Doumeng businesses, including the Seav Interagra tractor company and Silos du Sud-Ouest farm machinery maker, are already under court administration. Sepremec, the Interagra parent company, and SCIL, one of its trading subsidiaries, have also applied for bankruptcy protection.

## THE LEX COLUMN Searing pain

By Alice Rawsthorn in Paris



About the best that can be said of House of Fraser's investment in Sears is that the stake was not sold when the shares slumped to 63p. Still, a capital loss of over \$90m and a similarly painful cost of carrying the shares leave plenty of room for reflection by all concerned. At present one can only wonder why House of Fraser has sat with the holding for over five years only to sell on the eve of a rebound in the economy. Admittedly, Sears is not the most convincing of the retailing recovery stories. Yet after enduring the horror of the past few years this hardly seems the moment to haley out.

Perhaps the answer lies with House of Fraser's very substantial borrowings, some of which are due for repayment shortly. If the company needs to raise cash its options are limited.

Department stores are not the most saleable of retailing assets, and the company would struggle to find buyers at anything like book value. Even putting Harrods on the block might not attract the kind of clientele which was interested a few years ago.

The company is not alone in its philosophical reflections. Bankers feeling uncomfortable might also consider that their lending to House of Fraser looked aggressive even by the standards of the mid-1980s.

For Sears the sale has fewer implications. Sears has less than 1 per cent of the UK's retail sales, and its different problem of earning a decent return from its sprawling asset base. It appears that the new chief executive, Mr Liam Strong, is having some success with the British Shoe Corporation. Whether he can keep all of the company's other plates spinning at the same time remains to be proved.

Hong Kong

Whitehall's spin doctors give the impression that only their sensitivity to Chinese feelings prevents them from crowing about a complete climb-down by Beijing. The truth is naturally a little more muddy, and the concessions by both sides show that everyone wants an agreement. There remains a risk that the talks on democracy in Hong Kong may get bogged down, but a common interest in success should at least give the discussions some momentum.

Once round the negotiating table, however, it may become clear that the two sides want very different agreements and are prepared to hold out until they get them. The enthusiasm of the Hong Kong stock market has

since between the price and the original cost to profits. In future, only the difference between price and book value will count. It thus pays companies like brewers with large property holdings to reduce the book value of their assets as far as possible, if only to reduce the risk of having to declare a loss on property sales.

It would be churlish to accuse Whitbread of setting itself up to fatter future profits. Although property disposals accounted for 17 per cent of pre-tax profits in 1991-92, sophisticated investors automatically strip them out. Whitbread's plan for regular property revaluations anyway mean property profits should largely disappear. The new accounting standards will then have scored a double hit: stated earnings will be more a reflection of its basic business and the balance sheet will have become more reliable into the bargain.

Tour operators

The 20 per cent fall in Owners Abroad's share price since it escaped the clutches of Airtours amounts to an unusually swift judgment. The shares are still higher than before the bid was launched, but the scramble to accept Thomas Cook's 150p tender offer hardly amounts to a vote of confidence in the long-term prospects. Since Airtours has also suffered a bout of post-bid depression, the conclusion must be that some of the mud thrown during the fight has stuck.

Yet the prospects look brighter than at the turn of the year. The odds on a recovery in consumer spending have improved and both report good early-season bookings. Since the government declined to refer the bid to a monopolies inquiry, both are free to squeeze independent operators and improve vertical integration by buying more travel agents. That leaves plenty of scope for organic growth and piecemeal acquisitions. During the bid, Owners also promised more savings from its alliance with Thomas Cook.

Bid costs - anything up to £10m for Airtours, less than half that for Owners - might take the shine off the shares. More importantly, by highlighting the scope for price competition the bid did no favours to the sector. An all-out price war looks unlikely this year while bookings are well up with expectations and Thomson's market leadership is unchallenged. Whether the same holds true of next year remains open. The market has recognised as much.

## S Africa riots claim six lives in protest over Hani shooting

By Patti Waldmeir and Philip Gawth in Johannesburg

RIOTS SWEEPED South Africa yesterday and police shot dead at least six blacks after one of the largest political protests in the country's history. It was called to mourn slain activist Chris Hani.

But political leaders, including officials of the African National Congress, made clear that the death toll was lower than might have been expected, given that hundreds of thousands of people attended rallies and protest gatherings and millions stayed away from work. Employer organisations said 90-95 per cent of workers stayed at home.

ANC officials sharply criticised what they said was an unprovoked attack by police on demonstrators in Soweto, where marshals struggled, but succeeded, in controlling a crowd tens of thousands strong.

At least four people were killed and some 250 injured, five of them critically.

But in Cape Town, Durban, Pietermaritzburg and Port Elizabeth, ANC officials appeared to lose control of the large crowds, which attacked police, smashed windows and looted shops after

breaking away from rallies addressed by ANC leaders.

Police appeared to act with restraint in these areas, although there were later reports that at least two people had been killed in Cape Town. Lack of ANC discipline in these centres raised fears of mounting violence in coming days as South Africa prepares to bury Mr Hani in a white cemetery next Monday.

The Soweto shooting broke out when an angry crowd marched on a police station after attending a rally addressed by Mr Nelson Mandela. Mr Mandela implored a packed stadium, where deaths were narrowly averted as demonstrators were crushed against the closed gates of the arena, to act peacefully.

He praised the white Afrikaner woman whose eyewitness evidence had led to the apprehension of Mr Hani's alleged murderer, and said to South Africa's youth: "Your duty is to take such examples and use them to build a new non-racial nation."

Violence erupted only after he had departed to address a rally in a nearby town.

ANC spokesman Mr Carl Niehaus warned after the Soweto shooting: "This kind of action by

police is exactly what will lead this country to bloodshed and... the consequences in days to come must be laid squarely at the door of the police force."

Financial markets reacted nervously to events. The financial rand - a barometer of foreign investor confidence - closed yesterday at R4.82 against the dollar compared with R4.56 before Mr Hani's death, while the stock market index declined by 31 points to 3,488, having shed 51 points on Tuesday.

Ironically, only last week businessmen were cheered by the news that business confidence had risen in March to its highest level in two years.

Although yesterday's unrest will have depressed them, few would have been surprised. Mr Jeff Lieberman, chairman of the W&A group, an industrial conglomerate, said he was "disappointed and upset" at yesterday's events, but not shocked. "We were braced for it as a group."

Mr Lieberman said that while the political leadership had been statesmanlike and mature in its response to Mr Hani's death, it was well known that the youth, in particular, were often a law unto themselves.

## Police fire on protest gathering in Soweto

Continued from Page 1

clearly delighted that ANC leaders had managed, against the odds, to control the angry crowd. Then the shooting started.

The truce which reigns in South Africa at the moment is fragile. "We wanted peace, but we can see that they want war," said an angry young African National Congress marshal, Rose Malawa, who said two BBC journalists standing next to her were shot - though she is sure police were aiming at her. "Now we are prepared to fight," she said.

Weston Shabangu, a senior official of the Soweto Civic Association, said he could see the hatred in police eyes before the shooting started: "The way that meeting was so disciplined - I could see that their [the police] hearts were bleeding."

"They think they are sending a signal that we must think twice before hurrying Chris [Hani] in Boksburg white cemetery," Weston said, shaking his head in anger. He did not want to predict the reaction to the shooting. Earlier in the day, as we

approached the police station in our car, picking a careful path through thousands of walking demonstrators, scores of marchers greeted us with smiles, cries of "Dumela" (a Sotho greeting; one man called me "my sister"). Seeing my frightened face, one ANC marshal stopped to smile and say: "This is Africa. It's our land. You don't worry."

One group of very young men called out the radical slogan "one settler, one bullet"; but others nearby shook their heads in disapproval, and smiled at our car full of white journalists.

Everywhere there was anger - but not at us, even though we were the only white targets in sight. The demonstrators made clear they hated the government and the police - not whites for the simple fact of being whites.

Not surprisingly, that positive mood was dissipated by the time the police had finished their unprovoked attack. Chris Hani, who has already become black South Africa's greatest martyr, is no longer there to contain the anger.

## US launches \$4bn fund to aid Russian privatisation

Continued from Page 1

announce ever larger offers, of decreasing effectiveness. One minister said: "Our emphasis must be on quality, not quantity."

The foreign and finance ministers agreed that further aid for Russia should be conditional upon economic, political and foreign policy reform being made irreversible.

The meeting agreed that aid should be linked to progress in controlling inflation; establishing greater discipline at the Russian central bank; and the restructuring of Russian industry, particularly through the development of small and medium-sized enterprises. The other main focus for aid was decommissioning Russian nuclear weapons.

Mr Douglas Hurd, the British foreign minister, will today emphasise the importance of Russia's playing a constructive role in international affairs, particularly the support for international efforts to end the war in the former Yugoslavia by putting greater pressure upon Serbia.

A British official said: "Foreign policy reform is part of the reform process. We will point out that there will be new sanctions on Serbia by the end of the month and the time has come to stop messing about."

In an opening address, Mr Kichii Miyazawa, the prime minister, said the success of Russia's economic and political reforms are "crucial in achieving peace and prosperity in the world," and the G7 must take the lead in rallying the international community.

"It is incumbent on the international community to send a clear message that it expects Russia's reforms to be pursued irreversibly," Mr Miyazawa said.

A Japanese official defended the country's record of assistance against veiled criticism from some US officials that the Japanese package announced yesterday focused too heavily on trade credits. He said: "When you compare the Japanese commitment against what what is being given by other countries, it is not as miserable as you might think."

## Andreotti immunity inquiry told of Mafia killings link

Continued from Page 1

into the assassinations. The new material could be "an advance warning of other requests for immunity to be lifted on the part of other magistrates," he said.

Mr Andreotti has presented the 23 member senate committee with a 100-page document defend-

ing his position. The document casts doubt on the points raised in the magistrates' allegations, dismissing them as circumstantial. The former prime minister has faced down 26 previous attempts to have his parliamentary immunity lifted on a variety of grounds.

● Rome magistrates investiga-

ting allegations of corruption in Italy's aid programme to developing countries yesterday issued a cautionary warrant against Mr Ferdinando Mach di Palmstein, a financier associated with the Socialist party. The warrant alleges Mr Palmstein was involved in extortion in connection with aid to Senegal, Argen-

tina and other countries.

Separately, Mr Vito Bonsignore, a Christian Democrat junior minister in the budget ministry, has announced he will resign next week. Mr Bonsignore has been told by magistrates he is under investigation on two separate allegations of corruption and illegal party funding.

World Weather	°C	°F	World Weather	°C	°F
Abasco	15	59	Algeria	12	54
Aden	28	82	Amman	18	64
Alexandria	22	72	Ankara	10	50
Amman	18	64	Antwerp	12	54
Amsterdam	12	54	Athens	18	64
Baghdad	28	82	Bombay	28	82
Bahia	28	82	Buenos Aires	18	64
Bangkok	32	90	Calcutta	28	82
Batavia	28	82	Cairo	22	72
Bombay	28	82	Cardiff	12	54
Buenos Aires	18	64	Cebu	28	82
Calcutta	28	82	Dakar	28	82
Cardiff	12	54	Damascus	18	64
Cebu	28	82	Dar es Salaam	28	82
Dakar	28	82	Delhi	28	82
Damascus	18	64	Doha	28	82
Dar es Salaam	28	82	Edinburgh	12	54
Delhi	28	82	Faro	18	64
Doha	28	82	Geneva	12	54
Edinburgh	12	54	Hankow	18	64
Faro	18	64	Hong Kong	28	82
Geneva	12	54	Houston	18	64
Hankow	18	64	Imbabura	18	64
Hong Kong	28	82	Jakarta	28	82
Houston	18	64	Johannesburg	18	64
Imbabura	18	64	London	12	54
Jakarta	28	82	Los Angeles	18	64
Johannesburg	18	64	Lyons	12	54
London	12	54	Madrid	18	64
Los Angeles	18	64	Moscow	12	54
Lyons	12	54	Mumbai	28	82
Madrid	18	64	Nairobi	18	64
Moscow	12	54	Paris	12	54
Mumbai	28	82	Rangoon	28	82
Nairobi	18	64	Rio de Janeiro	28	82
Paris	12	54	Rome	18	64
Rangoon	28	82	Sao Paulo	28	82
Rio de Janeiro	28	82	Seoul	18	64
Rome	18	64	Singapore	28	82
Sao Paulo	28	82	Sri Lanka	28	82
Seoul	18	64	Taipei	28	82
Singapore	28	82	Tokyo	18	64
Sri Lanka	28	82	Toronto	12	54
Taipei	28	82	Washington	18	64
Tokyo	18	64	Yokohama	18	64
Toronto	12	54			
Washington	18	64			
Yokohama	18	64			

This announcement appears as a matter of record only.

# KNP BT

NV Koninklijke KNP BT  
(Incorporated in Maastricht, the Netherlands)

Merger between

**KNP**  
N.V. Koninklijke KNP

**BT**  
Bühmann-Tetterode nv

**VRG**  
VRG-Groep NV

Financial Advisors

Pierson, Helderling & Pierson N.V. Lazard Brothers & Co., Limited Internationale Nederlanden Investment Bank N.V.

March 1993

مكتبة النخيل



## INTERNATIONAL COMPANIES AND FINANCE

# Banques Populaires falls by 21% to FF1.28bn

By Alice Rawsthorn in Paris

BANQUES Populaires, the French banking group, yesterday added to the gloomy mood of France's financial sector by announcing a 21 per cent fall in net profits to FF1.28bn (\$238m) in 1992 from FF1.64bn the previous year.

The decline at Banques Populaires is the latest in a stream of bad news to have come from French banks in the current reporting season. They have been hit by a downturn in demand for credit and by the need to make steep provisions on their property portfolios and industrial investments.

Société Générale, one of the

largest private-sector banks, last week announced static net profits of FF2.3bn for 1992. This followed the disclosure of a 26 per cent decline in net profits for Banque Nationale de Paris, the state-controlled bank which is a prime candidate for privatisation, to FF2.2bn and of a FF1.85bn loss for Crédit Lyonnais, also scheduled for sale to the private sector.

Banques Populaires, which operates a number of regional commercial banking networks across France, has been affected by the impact of the economic slowdown on the industry although its operations fared reasonably well last year.

Despite the competitive credit market, the bank managed to raise its net banking income by 8 per cent to FF17.7bn in 1992 from FF16.5bn in 1991. It also increased operating profits by 26 per cent to FF4.6bn from FF3.6bn over the same period.

However, the group was forced to make a steep increase in provisions on sour loans and dubious investments. Mr Jacques Delmas-Marsalet, chairman, said yesterday that the level of provisions had been raised by 50 per cent to FF3bn last year from FF2bn in 1991 thereby triggering the fall in net profits.

# Banco Central Hispano nears marketing accord with SocGen

By Tom Burns in Madrid

BANCO Central Hispano, one of Spain's leading banks, is close to reaching an agreement with France's Société Générale which will allow the two banks to pool their marketing resources outside their domestic bases. The agreement will also enable the banks to use each other's branch networks.

The pact, which is likely to be signed next week, is seen by the Spanish bank as an important part of an attempt to restart Europartners, a consortium that pooled BCH with Crédit Lyonnais of France, Banco di Roma of Italy

and Commerzbank of Germany.

The German bank maintains its links with BCH through a 4.7 per cent stake that it owns in the Spanish bank's equity, but the Europartners initiative was abandoned after Crédit Lyonnais started building up its own branch network in Spain at the beginning of the 1990s.

Société Générale, which is poised to replace Crédit Lyonnais as BCH's partner in France, is in the meantime exploring possible joint initiatives with Commerzbank and with National Westminster of the UK.

A spokeswoman for BCH

said that Société Générale's potential links in the UK and in Germany were separate from the French bank's forthcoming agreement in Spain. BCH is seeking a UK partner with which to forge a similar commercial pact, but this is unlikely to be National Westminster. Barclays or Lloyds, all of which already have branch networks in Spain.

Last month, BCH exchanged 2 per cent of its equity for a 10 per cent stake in Banco Commercial Portugues, BCP, in the biggest share-swap agreement to date between Spanish and Portuguese banking institutions.

# Ahold fixes price for rights issue

By Ronald van de Krol

AHOLD, the Dutch-based food retailer, has fixed the issue price of its previously-announced one-for-10 rights issue at FF189 per share. The proceeds of slightly more than FF450m (\$233.5m) will be used to strengthen shareholders'

equity after a string of acquisitions in 1991 and 1992.

The rights issue, announced last month when the company unveiled its 1992 results, had come as a surprise because Ahold had not been expected to issue new shares until it made its next big acquisition.

Ahold's shares closed down

FF1.80 at FF196 in Amsterdam yesterday.

Trading in the rights to the 5.1m new common shares is due to start on April 19 and end on April 29, with payment on May 13. The rights issue has been underwritten by a banking syndicate led by ABN Amro of the Netherlands.

# Dasa hit by cuts in military spending

By Christopher Parke in Frankfurt

DEUTSCHE Aerospace, the aircraft and space technology division of Daimler-Benz, suffered a 17 per cent drop in new orders last year as civil and military spending cuts took effect.

The company, which lost a net DM341m (\$216m) on sales of DM17.3bn in 1992, was still on course to return to profit by 1995, Mr Jürgen Schrempf, chairman, said yesterday.

However, planning would be eased and potential capacity problems could be avoided if the Bonn government made clear decisions now on its future strategy. Further cancellations of public contracts threatened the whole defence industry, he warned.

Total new orders fell to DM12.5bn last year from DM15bn. Defence contracts fell more than expected to DM2.4bn from DM2.7bn.

The company, which made a net profit of DM50m in 1991, would have been in the black last year had it not been obliged to take extraordinary charges for personnel and strategic measures, the company said.

Only two of its six divisions - space systems and aircraft - made an operating profit last year. Defence and civil systems alone lost DM264m.

Dasa, a core business within Daimler-Benz, which recently forecast a further fall in group earnings of up to 30 per cent this year, expects sales for the year to be little changed from last year's DM17.3bn.

It has been hard hit by the combination of recession and the slump in defence markets since the ending of the cold war, and first warned several months ago that it faced the most difficult two years in its history.

Meanwhile, the management has pressed ahead with plans to develop its interests in civil aircraft.

# Holders of Daf bonds plan lawsuit

By Ronald van de Krol in Amsterdam

A GROUP of investors holding bonds issued in 1989 by Daf, the bankrupt Dutch truck-maker that has recently been re-established as Daf Trucks, said yesterday that it plans to sue the issue's lead-manager, ABN Amro Bank, as well as its trustee, Nederlandsche Trust Maatschappij.

Mr Gary Klesch, chairman of London-based Klesch & Co. said that ABN Amro's 1989 prospectus had been "misleading", while the trustee company had neglected to protect bondholders' rights when

Daf was restructured in 1992. A spokesman for ABN Amro said the bank was aware of Mr Klesch's charges but rejected them.

The investors, who belong to the newly-formed Association for the Promotion of the Interests of Daf NV Bondholders, will be seeking damages of FF150m (\$82.5m), equivalent to the total value of the 1989 issue of 5% per cent bonds.

The bonds have a nominal value of FF1,000 but are trading at just FF17 following the collapse of the original Daf company and the formation of its successor, Mr Klesch said that, so far, the association

represented investors holding Daf bonds worth FF30m and that discussions were taking place with other bondholders.

At issue is the prospectus's wording on the subject of equal treatment of current and future creditors. Mr Klesch said holders of the bond issued by Daf NV, a holding company, were given to understand that they would be accorded equal treatment if the company provided security to any future lenders. In the 1992 restructuring, security was furnished to Daf's bankers by the company's operating subsidiaries, not the holding company itself, he said. "The prospectus should

have been clearer," Mr Klesch said.

● BolsWessanen, the newly-merged Dutch foods and beverages group, said it was considering selling a 50 per cent stake in a baby food subsidiary, Nutricia, a leading Dutch producer of food for infants.

The subsidiary, Lyemph, which had 1992 sales of FF110m (\$60.7m), sells baby foods and milk powder under the Bebelac brand name. It has two production sites in the Netherlands and employs 175 people.

The companies said discussions had begun and that details would be released when an agreement was reached.

# Outokumpu to raise FM500m

By Christopher Brown-Humes in Stockholm

OUTOKUMPU, the Finnish mining and metals group, is planning a FM500m (\$66.9m) rights issue this year to strengthen its balance sheet and help finance its investment programme.

The Finnish state has already indicated that it will support the issue in line with its 57.5 per cent direct stake in the company.

The timing of the move has yet to be decided, but could come as early as the late spring to exploit improved

stock market conditions in Finland following the sharp depreciation of the markka and the fall in domestic interest rates. The issue will carry preferential subscription rights for current shareholders.

Mr Pentti Hakkarainen, a vice-president, said proceeds from the issue would help the group move closer to its target of a 30 per cent equity/total asset ratio from its current level of around 17 per cent.

It would also enable the company to maintain its annual capital expenditure at the FM1.3bn to FM1.5bn level, he stated.

Outokumpu has been encouraged to proceed with the plan by its own improving financial performance, with losses before extraordinary items narrowing last year to FM380m from FM768m in 1991. A further improvement in its result is expected this year.

Outokumpu was one of five Finnish state-owned groups earmarked for possible privatisation last November. The government said it was looking to expand the ownership base of the companies and to ensure they had adequate financial resources for their development.

# Ciba sales slide 4% to SFr5.69bn

By Ian Rodger in Zurich

CIBA, the Swiss pharmaceuticals and chemicals group, has reported a 4 per cent drop in consolidated sales in the first quarter to SFr5.69bn (\$3.93bn).

Sales in the healthcare sector grew 3 per cent to SFr2.07bn, but this was not enough to offset continuing weakness in the agricultural and industrial chemical sectors.

Sales of plant protection products, for example, were down 15 per cent to SFr1.2bn and sales of textile dyes dropped 6 per cent to SFr359m.

Sales in the agricultural sector as a whole were down 13 per cent to SFr1.48bn, partly due to seasonal factors, but Ciba said there was a perceptible rise towards the end of the quarter.

The growth of sales in the healthcare sector was substantially lower than the levels achieved a year ago. Ciba said it was not possible to repeat the extraordinarily high introductory sales of Habitrol, its nicotine patch to help people stop smoking, achieved during the first quarter of 1992.

The group said it still looked for a modest increase in sales in the year as a whole.

# Tie Rack posts record £5.1m for year

By Maggie Urry in London

TIE RACK, the UK tie retailer, recorded a fivefold increase in profits in the financial year to January 31.

Pre-tax profits were a record £5.1m (\$7.7m), up from £1m in the previous year when there was an exceptional charge of £504,000, and the group doubled its dividend to 1p.

Mr Nigel McGinley, chief executive, said that capital expenditure this financial year would double to £3m.

# TSB to withdraw from estate agency business

By Scheherazade Daneshkhu in London

TSB, the UK banking group, is to withdraw from the estate agency business.

It plans to establish a joint-venture company with National and Provincial building society that will manage TSB's estate agency business and provide a range of financial services.

The joint venture is expected to be a convenient device to allow TSB to make a controlled withdrawal from the estate agency market.

The group made a pre-tax profit of £45m (\$68m) in 1992 compared with a loss of £47m in 1991. However, there has been little recovery in its property services division, which lost £5m in 1992 and £7m in 1991.

Mr John Wrigglesworth, building society analyst at UBS, estimates that the deal will cost National and Provincial between £5m and £10m.

TSB's chain of 133 residential estate agents has been making losses and in January the group said it would be concentrating on its core businesses.

# البنك السعودي الأمريكي Saudi American Bank

## FINANCIAL HIGHLIGHTS

UNAUDITED AS OF MARCH 31, 1993

	March 31 1993 SR '000	March 31 1992 SR '000
<b>Assets</b>		
Cash and Due from Banks	7,570,539	11,541,071
Loans and Advances (net)	11,418,716	10,300,391
Bonds and Securities	17,723,781	14,634,488
Other Assets	1,962,400	1,652,439
<b>Total Assets</b>	<b>38,675,436</b>	<b>38,128,389</b>
<b>Liabilities and Shareholders' Funds</b>		
Customer Deposits	29,726,053	28,671,476
Due to Banks	4,937,748	5,792,371
Other Liabilities	1,161,606	1,051,510
Shareholders' Funds	2,850,029	2,613,032
<b>Total Liabilities and Shareholders' Funds</b>	<b>38,675,436</b>	<b>38,128,389</b>
<b>Contra Accounts</b>	<b>51,825,058</b>	<b>48,438,943</b>
<b>Statement of Earnings</b>		
Operating Revenue	359,807	337,264
Less: Operating Expenses	(127,245)	(112,670)
<b>Total Operating Income</b>	<b>232,562</b>	<b>224,594</b>
Transfer to Reserves	(7,483)	(8,929)
<b>Net Income for the quarter ended March 31.</b>	<b>225,079</b>	<b>215,665</b>

For further information, please contact:

Head office: The Corporate Secretary, Saudi American Bank, P.O. Box 833, Riyadh 11421, Kingdom of Saudi Arabia. Telephone: (01) 477 4770.  
London branch: The General Manager, Saudi American Bank, Nightingale House, 65 Curzon Street, London W1Y 7PE, U.K. Telephone: (71) 355 4411.  
Istanbul branch: The General Manager, Saudi American Bank, P.O. Box 49, Levant, Istanbul, Turkey. Telephone: (11) 300284/7.  
Geneva office: The General Manager, Samba Finance S.A., 3&7 Rue du Commerce, 1204 Geneva, Switzerland. Telephone: (22) 3102400.  
New York representative office: The General Manager, Saudi American Bank, 666 Fifth Avenue, New York, NY 10103, U.S.A. Telephone: (212) 3079274.  
Paris representative office: The General Manager, Saudi American Bank, 51 Avenue Hoche, Paris 75008, France. Telephone: (1) 43 80 00 80.

U.S. \$200,000,000  
Floating Rate Depositary  
Receipts Due 1997  
Issued by The Law Debenture Trust  
Corporation p.l.c., existing exclusively  
for the purpose of issuing depositary  
receipts in an aggregate principal amount  
of U.S. \$200,000,000 with

USD 140,000,000  
CRI INSURED  
MORTGAGE  
ASSOCIATION INC.  
Guaranteed Secured  
Floating Rate Notes  
due 1998  
Interest Rate 3.50% p.a.  
Interest Period April 13, 1993  
July 12, 1993  
Interest Amount due on  
July 12, 1993 per  
USD 69,241.07 USD 605.86  
BANK OF AMERICA  
Agent Bank

Chrysler Financial Corporation  
US \$150,000,000 Floating Rate Notes due 1994  
For the period from April 15, 1993 to July 15, 1993 the Notes will carry an interest rate  
of 3.50% per annum with an interest amount of US \$42.66 per US \$5,000 Note and of  
US \$426.56 per US \$50,000 Note.  
The relevant interest payment date will be July 15, 1993.  
Agent Bank  
Banque Paribas Luxembourg  
Société Anonyme

Appointments  
Advertising  
appears every  
Wednesday & Thursday  
Friday  
(International edition only)

All of these securities have been sold.  
This advertisement appears as a matter of record only.

Secondary Offering by TOTAL February 1993

**TOTAL CANADA OIL & GAS LTD.**

**\$183,248,276**

18,794,695 Common Shares

Price: \$9.75 per Share

Nesbitt Thomson Inc.

RBC Dominion Securities Inc. Wood Gundy Inc.

Burns Fry Limited Gordon Capital Corporation ScotiaMcLeod Inc.

Midland Walwyn Capital Inc. Bunting Warburg Inc.

BBN James Capel Inc. First Marathon Securities Limited Peters & Co. Limited

Toronto Dominion Securities Inc. Trilon Securities Corporation

International Selling Group

Banque Indosuez Credit Lyonnais Securities Paribas Capital Markets

NOTICE OF REDEMPTION  
ASSOCIATES CORPORATION OF NORTH AMERICA  
7 7/8% SENIOR NOTES DUE MAY 15, 1996  
NOTICE IS HEREBY GIVEN THAT, pursuant to the provisions of the Fiscal  
Agency Agreement (the "Agreement") dated as of May 15, 1986 between Associ-  
ates Corporation of North America (the "Company") and The First National Bank  
of Chicago, as Fiscal Agent, the Company has elected to redeem on May 15, 1993  
the "Redemption Date") at a redemption price equal to 101.5% of the principal  
amount thereof (the "Redemption Price").  
On the Redemption Date, the Redemption Price will become due and payable  
upon each Note to be redeemed and on and after said date the sole right of a  
holder of a Note shall be to receive the Redemption Price plus accrued interest to  
the Redemption Date.  
Payment of the Redemption Price in the case of Bearer Notes will be made on and  
after the Redemption Date upon presentation and surrender of the Notes to be  
redeemed, together with all appurtenant coupons maturing subsequent to the  
Redemption Date, at the offices of any of the following Paying Agents:  
The First National Bank of Chicago Swiss Bank Corporation  
First Chicago House 1 Asscherenvorstadt  
90 Long Acre 4002 Basel  
London WC2E 9RB Switzerland  
England  
Kreditbank S.A. Luxembourggoise  
48 Boulevard Royal  
P.O. Box 1106  
Luxembourg  
Coupons maturing on May 15, 1993 should be detached and surrendered for  
payment in the usual manner.  
ASSOCIATES CORPORATION OF NORTH AMERICA  
as Fiscal Agent  
Dated: April 1, 1993

مكتبة النخيل

## Strong quarter at PaineWebber

By Patrick Harverson  
in New York

**PAINEWEBBER**, the US securities house, announced another strong set of quarterly earnings yesterday, although increased taxes left net income for the first three months of the year lower than a year ago at \$70.9m against \$74.3m.

The higher tax rate aside, PaineWebber reported record net revenues of \$96.8m, up 6 per cent on 1992 and the highest in the firm's 114-year history. Earnings per share of \$1.26, fully diluted, were also a record.

The PaineWebber results ensure that the securities industry, buoyed by large

interest in equities from individual investors and heavy demand for underwriting services from corporations, is on course for its third consecutive year of record earnings.

Analysts estimated that Wall Street firms would earn more than \$2bn between them in the first quarter alone.

Revenues from all of PaineWebber's main business segments were higher than a year ago, mirroring the performance of Merrill Lynch, another big Wall Street securities house, which reported record profits on Tuesday.

Earnings from brokerage commissions rose 5 per cent to \$34.2m, while revenues from principal transactions and

investment banking rose slightly, to \$203.7m and \$100.6m, respectively.

The fastest-growing business, was asset management, where earnings jumped 17 per cent in the quarter to \$73.3m as mutual fund assets rose 24 per cent and total assets under management climbed to about \$37.5bn.

Interest revenues advanced 9 per cent to \$28.5m.

Within the different business segments, Mr Donald Marron, PaineWebber's chairman, singled out the performance of the institutional sales and trading business, which reported 13 per cent growth in revenues, led by client-driven fixed income and equity sales.

Retail sales and marketing, part of the firm's traditional securities brokerage business, also fared especially well, said Mr Marron.

About 250 new brokers were added to the workforce during the quarter, taking the total to 5,150.

PaineWebber's expenses climbed almost 7 per cent to \$580.5m in the quarter, mostly because of higher performance-related employee compensation.

PaineWebber's earnings pleased investors.

The company's shares rose 3/4 to \$27 1/2 in early trading on Wall Street, the highest level the stock has been in the past year.

## Bank of New York earnings jump 52%

By Alan Friedman in New York

**BANK** of New York, which last year agreed to buy 62 branches from the US subsidiary of Barclays Bank, yesterday unveiled a healthy 56 per cent jump in its first-quarter net earnings, to \$125m.

The first-quarter profit translates into fully-diluted earnings per share of \$1.37, up from 97 cents in the same quarter of 1992.

The result was achieved on the back of wider interest margins, higher fee income, lower non-performing assets and better earnings resulting from a continuing shift in the bank's mix of assets.

The bank, with total assets of \$40bn, said fee income rose by 14 per cent year-on-year, to \$188m, thanks largely to credit card processing.

Total non-performing assets dropped by 33 per cent, to \$850m, while bad debt provisions in the quarter declined to \$100m from \$157m in the first quarter of 1992.

Net interest income was \$334m in the quarter, compared with \$308m a year before. Non-interest income increased by 11 per cent to \$320m in the quarter.

The adoption of new accounting standards resulted in a \$46m charge to retained earnings for prior periods, but the bank said the charge would have no future impact. Its return on assets in the quarter was 1.2 per cent, up from 0.77 per cent.

On Wall Street, Bank of New York's share price was unchanged at \$61 1/2 before the close.

Wachovia, the North Carolina-based bank, reported that its first-quarter net income rose by 14.6 per cent to \$121.6m, or 89 cents a share.

First of America Bank realised first-quarter securities gains of \$7.2m, pushing earnings for the period to \$58.6m, or 98 cents, Reuter reports. It earned \$26m, or 41 cents, in the first quarter of 1992.

## Royal Trustco deep in red as provisions almost treble

By Bernard Simon in Toronto

**ROYAL** Trustco, the crippled financial services group controlled by Toronto's Brounman family, has disclosed the severity of the financial problems which led to the pending takeover of its operations by Royal Bank of Canada.

The group yesterday reported a record net loss in 1992 of C\$852m (US\$678.1m), or C\$5.33 a share, compared with earnings in 1991 of C\$107m, or 25 cents a share.

Loan-loss provisions almost tripled to C\$431m from C\$155m.

Much of the increase was blamed on a significant deterioration in its commercial

real estate portfolio in the fourth quarter, especially in Canada.

The company also took a C\$83m write-down of goodwill in the fourth quarter, while assets fell to C\$25.1bn from C\$37.5bn.

Royal Trustco was for years one of Canada's most venerable financial institutions, specialising in home mortgages and fiduciary services. But ill-advised forays into Europe and the US, compounded by the North American recession, resulted in heavy losses in recent years.

Trilco Financial, a Brounman holding company, earlier this year began seeking an outside investor to inject equity into

Royal Trustco, Trilon Financial last month agreed to sell all Royal Trustco's operations to Royal Bank of Canada for C\$1.65bn.

Royal Trustco will be left as little more than a shell to recoup what it can from a loan portfolio of C\$4.5bn.

The company expects the deal with Royal Bank to close either in the late summer or autumn.

Several outside shareholders have accused Royal Trustco's management of not providing timely disclosure of the company's financial problems.

Royal Trustco's share price has plummeted from a peak of C\$18.25 in 1990 to 43 cents before the close yesterday.

## Banacci up 24% after revaluation

By Damien Fraser  
in Mexico City

**CITY** Grupo Financiero Banamex Accival. (Banco), Mexico's largest financial institution, lifted its results to 858m new pesos (\$277m) for the first quarter, a 24 per cent increase on the first quarter of 1992.

The results include a 183m peso revaluation of subsidiary assets. Excluding the revaluation, profits were 675m pesos, a 12.5 per cent increase on 1992.

Banamex, the recently privatised bank and the group's largest subsidiary, contributed 570m pesos to profits, a 14 per cent increase on the first quarter last year. Mexican banks, unlike other Mexican companies, do not adjust results for inflation, which in March was 10.4 per cent on an annual rate.

Mr Jorge Hierro, director of investor relations at Banamex, attributed the profits increase to the growth in the bank's loan portfolio of 29 per cent and in retail sales of 62 per cent. In addition, it improved margins and benefited from cost controls.

Accival, the group's brokerage, had profits of 41m pesos, a 19.5 per cent return on equity, against the bank's return on equity of 26.8 per cent.

## Mixed results at US hotel chains

By Nikki Tait in New York

**MARRIOTT** and **Hilton** Hotels, two of the largest hotel groups in the US, unveiled first-quarter results yesterday which reflected mixed experiences in the lodging market.

Marrriott's lodging operations saw a 17 per cent increase in operating profits during the three-month period, although revenues were up by only 3 per cent.

In the full-service hotel sector, the group saw a gain of 3 percentage points in occupancy levels, while room-rates were generally static.

However, in the mid-price and economy segment Marrriott reported higher room-rates. Occupancy levels at the Courtyard and Residence Inn chains improved while the Fairfield

Inn, the economy chain, saw a one percentage point drop in occupancy levels, to about 75 per cent.

The profits advances in the lodging division helped Marrriott to a net profit before accounting-related charges of \$19m, up from \$11m last time.

Total sales were \$2,088m compared with \$1,958m. Contract services, the group's other large division, saw a 25 per cent gain in operating profits and an 11 per cent sales advance.

Marrriott is attempting to demerge its financially-healthy lodging and contract services operations into a separately quoted company, leaving behind its property assets and the bulk of the group's heavy debts.

It said the plan, opposed by some bondholders, would be

voted on by shareholders at the 1993 annual meeting on June 22.

"Despite the mixed signals in the economic environment, we are optimistic about the rest of the year," said Mr J. W. Marrriott, chairman.

Hilton said its hotels division saw a 3 per cent decline in operating profits in the first quarter. Occupancy rose by 4 percentage points, but room rates remained flat, and dipped in some important markets.

In Hilton's gaming division, business was more encouraging, leading to an 18 per cent advance in operating profits. That left the group overall posting a 4 per cent increase in after-tax profits, at \$23.1m, before accounting-related charges. Total revenues were up by one-fifth at \$331.6m.

## Goodrich shares hit by poor term

**SHARES** in B.F. Goodrich, the US plastics group and specialty chemicals group, dropped after the company posted first-quarter financial results that were much lower than expected, Reuter reports.

The Ohio-based company lost \$7.6m, or 38 cents per share, in the first quarter, while analysts had expected a profit of about 1 cent per share. For the

same period last year, the company made a loss of \$1.9m, or 16 cents a share, before accounting adjustment.

Goodrich said its aerospace businesses continued to meet expectations during the quarter and that many of its specialty chemicals businesses performed well in the quarter.

"But results for the segment overall continue to be hurt by

weak demand in construction-related markets and by generally poor economic conditions in Canada and Europe," said Mr John Ong, chairman.

Goodrich has said that it planned to spin off its Goodrich division as a wholly-owned subsidiary, Geon Co., offering about 50 per cent of the new company's stock to the public.

## Sega links with cable TV groups

By Michiya Nakamoto in Tokyo

**SEGA**, the Japanese video games and entertainment company, is linking with Time Warner and Tele-Communications (TCL), two of the largest US cable television companies, to deliver video games software directly to US homes.

The three companies are setting up a joint venture company in the US that will use satellite broadcasting to send Sega video games software to

subscribers of Time Warner and TCL's cable television.

They will take equal shares in the new company, which is due to be established in the US this summer.

Details of the video games service have not yet been finalised, but the subscription fee is expected to be between \$15 and \$20.

Subscribers will need a Sega Genesis video games machine, selling for about \$100 in the US, and an adaptor, unless

they own one of the 7.5m Genesis machines sold in the US.

Sega said the large base of Genesis users was expected to provide the first subscribers. It believes the service could attract most of the 20m subscribers to Time Warner and TCL's cable television service.

The deal places Sega a step ahead of Nintendo, the largest video games manufacturer and Sega's arch-rival, which has been planning to launch a similar service.

## American Home gains 11% in first period

Karen Zagor in New York

**AMERICAN** Home Products, the US pharmaceutical company, yesterday posted first-quarter net income of \$401.5m, or \$1.29 a share, on sales of \$2.11bn.

A year earlier, the company's results were muddled by a number of special items which cumulatively added \$90.1m to earnings and brought net income to \$453.4m, or \$1.43, on sales of \$2bn.

Stripping out a one-time

items in 1992, American Home Products' net income advanced 11 per cent in the latest quarter.

The company's pharmaceuticals business saw the biggest sales gain in the quarter, rising 8 per cent to \$1.26bn on the back of strong sales of anti-inflammatory drugs and drugs for women.

In consumer healthcare, sales rose 2 per cent to \$448.5m, reflecting a less severe cold and 'flu season. Food products sales were flat.

## Pratt & Whitney to cut 9,000 jobs

By Nikki Tait

**PRATT & Whitney**, the aero-engine manufacturing division of United Technologies, plans to eliminate 9,000 jobs in Connecticut by the end of 1994 - 2,500 more than it had previously announced.

The year-end worldwide employment target remains at 30,000 people.

The company is to close manufacturing at its East Hartford and Southington facilities, and half its operations at North Haven. Production will move to Georgia and Maine.

### DEBT IN RUSSIA

Trade Creditor Group for UK Trade Creditors of the Former Soviet Union

A Trade Creditor Group, comprising UK Companies holding uninsured trade debt in the former Soviet Union is being formed under the co-ordination of Morgan Grenfell & Co. Limited.

The aims of the Group are to achieve the formal recognition and verification of the debts due to the member companies and, as a Group, to negotiate with the representatives of the Russian Federation for the terms of repayment of the agreed debts.

Any enquiries should be addressed to:

Morgan Grenfell & Co. Limited  
Attention: K. E. Thomas or D. J. Arlson  
23 Great Winchester Street, London EC2P 2AX  
Telephone: 071-588 4545 Ex. 7157 or 7145  
Fax: 071-526 7130

**MORGAN GRENFELL**

### Notice of Early Redemption

John Hancock Mutual Life Insurance Company  
7 3/4% Notes due May 15, 1996

NOTICE IS HEREBY GIVEN on behalf of John Hancock Mutual Life Insurance Company (the "Company") that pursuant to Condition 5(a) of the Terms and Conditions of the Company's 7 3/4% Notes due May 15, 1996, the Company will redeem all of the outstanding Notes at a Redemption Price of 101 1/2% of their principal amount on the next interest payment date, 15th May, 1993 (the "Redemption Date"), when interest on the Notes will cease to accrue. Payment of the Redemption Price will be made on, or after, the first business day following the Redemption Date (the Redemption Date is not a business day under such Terms and Conditions) upon presentation and surrender of the Notes, with all unexpired coupons attached, at the offices of any of the Paying Agents listed below.

Bankers Trust Company 1 Appold Street, Broadgate London EC2A 2HE, United Kingdom	Swiss Bank Corporation 1 Aeschenstrasse CH-4002 Basle, Switzerland
Banque Indosuez Luxembourg 39 Allée Scheffer L-2520 Luxembourg	Banque Indosuez Belgique S.A. Place Sainte-Odile 14 1000 Brussels, Belgium

Accrued interest due on 15th May, 1993 will be paid in the normal manner against presentation of Coupon No. 7 on, or after, the first business day following the Redemption Date.

Bankers Trust Company, London  
8th April, 1993

Agent Bank

### NOTICE

TO SHAREHOLDERS  
IN STORA KOPPARBERGS BERGSLAGS AKTIEBOLAG

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE COMPANY WILL BE HELD ON MAY 6, 1993 AT 3.00P.M. AT THE LUGNET SPORTS CENTER IN FALUN, SWEDEN.

#### NOTIFICATION

To be entitled to participate in the Meeting, shareholders must:

- be recorded in the Company's share register no later than April 26, 1993
  - notify that they intend to participate in the Meeting no later than 4.30p.m. May 3, 1993
- Notification of participation can be made by telephone: + 46 (0) 23-782561, or 782172, or by mail to STORA, S-791 80 Falun, Sweden.

The STORA share register is maintained by the Swedish Securities Register Center (VPC AB). Shareholders in STORA are either registered as owners or through a trustee. Only shareholders registered as owners are entitled to participate in the Meeting.

Shareholders whose shares are deposited with the trustee department of a bank, or with a brokerage firm, are entitled to register the shares in the name of the trustee. However, to be entitled to participate in the Meeting, shareholders whose shares are held in the name of a trustee must temporarily register the shares in their own name. To ensure that shares can be registered in the name of the owner in time, shareholders whose shares are held in the name of a trustee, bank or broker, must request to have them temporarily registered in their own names prior to April 26, 1993.

#### AGENDA

The transaction of business that shall normally come before the Meeting, in accordance with the provisions contained in the Company's Articles of Association, includes: the presentation of the Company's Annual Report and the Report of the Auditors for 1992, together with the Consolidated Accounts and the Consolidated Auditors' Report; approval of the Parent Company's Income Statement and Balance Sheet and of the Consolidated Income Statement and Balance Sheet; release of the Board of Directors and the President from liability for the year; the disposition of unappropriated earnings in accordance with the approved Balance Sheet; and the election of the Company's Board of Directors and Auditors.

#### DIVIDEND PROPOSAL

The Board of Directors and the President propose that May 11, 1993 be approved as the record date.

If the Annual General Meeting approves the above proposal, it is expected that dividends can be distributed by the Swedish Securities Register Center (VPC) on May 18, 1993.

#### OTHER MATTERS

In connection with the Annual General Meeting, shareholders will be invited to a presentation of STORA's printing and fine papers. Prior to the Meeting, Per Knuts, Executive Vice President and President of Stora Feldmühle, and Fredrik Cappelén, Vice President, Marketing at Stora Papyrus, will make a presentation on the theme, "Paper as an information medium" at 1.00 p.m. at the Lugnet Sports Center.

The Board of Directors of STORA extends a warm welcome to all shareholders of this year's Annual General Meeting.

Falun, Sweden,  
April, 1993  
Board of Directors

**STORA**

CANADA PACIFIC LIMITED  
(Incorporated in Canada)  
OFFERING OF A \$100,000,000 BOND  
5 PER CENT DEBENTURES  
4 PER CENT DEBENTURES  
In pursuance of the provisions of the half-yearly interest payment on June 1, 1993, the following bonds will be due at 3.30 p.m. on April 30, 1993 and will be re-issued on June 2.  
The bonds will be re-issued on June 2.  
The bonds will be re-issued on June 2.  
The bonds will be re-issued on June 2.  
D.R. Kent  
Deputy Secretary  
4445 Yonge Street  
Toronto, ON M3J 1P3  
April 15, 1993.

CHEMICAL NEW YORK CORPORATION  
US\$250,000,000 FLOATING RATE  
NOTES DUE OCTOBER 1997  
In accordance with the provisions of the Notes, notice is hereby given that for the interest period from 15 April 1993 to 15 July 1993 the Notes carry an interest rate of 3 1/4% per annum.  
The interest payable on the relevant interest payment date, 15 July 1993 against the coupon no. 21 will be US\$63.54 per US\$250,000 note.  
J.P. Morgan  
As Agent Bank

All of these securities have been sold. This announcement appears as a matter of record only.

New Issue

10,821,909 American Depositary Shares



Consorcio G Grupo Dina, S.A. de C.V.  
Consortium G Dina Group, Inc.

(a corporation organized under the laws of the United Mexican States)

American Depositary Shares  
Each Representing Four Shares of Common Stock

Global Coordinators  
Bear, Stearns & Co. Inc. and  
Probrusa, S.A. de C.V., Casa de Bolsa  
The New York Stock Exchange symbol is DIN.

International Offering

2,377,688 American Depositary Shares

This portion of the underwriting is being offered outside the United States and Mexico

Bear, Stearns International Limited

Salomon Brothers International Limited

Probrusa International Inc.

Prudential-Bache Securities

S.G. Warburg Securities

Banque Indosuez

PaineWebber International

James Capel & Co.

Swiss Bank Corporation

United States Offering

8,444,221 American Depositary Shares

This portion of the underwriting is being offered in the United States.

Bear, Stearns & Co. Inc.

Salomon Brothers Inc.

Probrusa International Inc.

Prudential Securities Incorporated

The First Boston Corporation	Alex. Brown & Sons	BT Securities Corporation	Dillon, Read & Co. Inc.
Donaldson, Lufkin & Jenrette	A.G. Edwards & Sons, Inc.		Goldman, Sachs & Co.
Hambrecht & Quist	Kemper Securities, Inc.	Kidder, Peabody & Co.	Lazard Freres & Co.
Lehman Brothers	Montgomery Securities	J. P. Morgan Securities Inc.	Morgan Stanley & Co.
Oppenheimer & Co., Inc.	PaineWebber Incorporated	Robertson, Stephens & Company	
Smith Barney, Harris Upham & Co.	UBS Securities Inc.		S.G. Warburg Securities
Arnold and S. Blechroeder, Inc.	William Blair & Company		J. C. Bradford & Co.
D. A. Campbell Company, Inc.	Furman Selz		InverMexico USA, Inc.
Ladenburg, Thalmann & Co. Inc.	Legg Mason Wood Walker		Raymond James & Associates, Inc.
The Robinson-Humphrey Company, Inc.	Stephens Inc.		Wheat First Butcher & Singer

April 1993

**YOUR DAILY  
BUSINESS BRIEFING  
IN 160 COUNTRIES  
AROUND  
THE WORLD**





## COMPANY NEWS: UK AND IRELAND

# Hongkong Land has 25.1% of Trafalgar

By Roland Rudd

HONGKONG LAND, the Jardine Matheson-controlled property company, has tightened its grip over Trafalgar House by taking its stake in the UK-based company above 25 per cent.

It negotiated the early exercise by the Swiss Bank Corporation of its put option which may have required Hongkong Land taking its stake in Trafalgar above 25 per cent.

Mr Rodney Leach, a director of Hongkong Land, said it had decided to "end the uncertainty in the market" by winding up the option rather than waiting until it expired on May 3.

"We have now got to a level that we are happy with," he added.

It is to acquire 23.5m ordinary and 28.74m A shares, bringing its total to 25.1 per cent of Trafalgar's capital.

Trafalgar's ordinary shares rose by 1/2p to 79 1/2p while the A shares gained 2p to 79p.

Hongkong Land is expected to drift up, over several years,

towards acquiring its stated intention of 29.9 per cent by taking scrip dividends.

It is expected to press Trafalgar's board, when it meets on April 28, to appoint its chairman, Mr Simon Keswick, as head of the UK construction, engineering and property group.

Mr Alan Clements, Trafalgar's non-executive chairman, took over the position last year as a temporary measure.

Mr Allan Gormly, Trafalgar's chief executive, said: "Hongkong Land's decision to negotiate an early end to the exercise creates useful headroom towards reaching its medium term objective by taking scrip dividends instead of cash."

This is expected to help Trafalgar's cash flow and its utilisation of excess advance corporation tax.

Hongkong Land has undertaken not to lift its stake above 29.9 per cent or make a full bid until April 1 1994, unless a third party offer or tender is made or a third party acquires 15 per cent.

See Lex

## Zeneca boosts its Quorn production

By Paul Abrahams

ZENECA, the bioscience wing of Imperial Chemical Industries, is beefing up production of Quorn, its vegetarian low-fat protein food.

Marlow Foods, Zeneca's wholly owned subsidiary, yesterday announced it is to invest £26.5m in new production facilities for its fake flesh food. The mycoprotein biotechnology product is based on the microfungus *fusarium graminearum*, a distant relation of mushrooms and truffles.

The High Wycombe-based company intends to build two plants, a former at Belasis, Cleveland, and a processing facility at nearby Stokesley which should be fully running by 1996. ICI's UK capital expenditure last year was £338m.

The plants will increase Marlow's Quorn capacity to 14,000 tonnes a year. Production is presently less than 7,000 tonnes a year, as a £37m plant at Stokesley announced in November 1991 is yet to come fully on stream.

The group refused to give sales figures for Quorn. Two years ago, it claimed UK sales had increased fivefold from £3m to £15m over the previous five years. Mr David Barnes, Zeneca's chief executive, believes the product is a wild card in the company's hand, capable of eventually generating annual sales of anything between £200m and £28m.

Marlow is part of Zeneca's specialty division, which £27m, one of ICI's brokers, predicts will increase operating profits from £26m last year to £65m next year on sales up 9.9 per cent. £27m forecasts the division's profits at £136m by 1996.

Quorn is commercially available in the UK, Ireland and Belgium. Zeneca said demand is outstripping supply, and advertising in the UK is being limited to the London area.

The company aims to capture part of the growing vegetarian food market. Meat eating is declining in all UK social groups, according to the Vegetarian Society. More than 3.6m Britons, equivalent to about 10 per cent of the population, have eliminated red meat from their diets in recent years.

Zeneca said market research suggested 19 per cent of UK households were willing to try Quorn, and 56 per cent of those were likely to repurchase.

Most of the new capacity will be sold in the Netherlands and Germany and it will also be marketed in France and Italy. Pilot trials in Amsterdam and Munich suggests significant potential markets in those countries.

Quorn is available as a fresh ingredient either minced or in chunks and escalopes. It is also supplied as ready-made casseroles and curries.

## Tender offer ties up loose ends in £285m travel industry bid battle Thos Cook ends up with 21% of Owners

By Richard Gourley

THOMAS COOK, the travel agency and financial services company, has ended up with a 21 per cent stake in Owners Abroad, the holiday group it helped defend against a hostile bid from rival Airtours.

Owners' shareholders rushed to offer stock to satisfy the 150p a share tender offer made by Thomas Cook at a crucial stage in the £285m Airtours' bid.

When the offer closed on Tuesday, Thomas Cook had received tenders from shareholders representing 76 per cent of Owners' shares.

In line with the terms, which limited Thomas Cook's offer to 12.5 per cent of the equity, Owners shareholders have

been scaled down to about 16 per cent of what they tendered.

Thomas Cook and its sister company, LTU, the German tour company, will now forge closer ties with Owners Abroad and will be anxious to see the savings its new partner promised during the bid.

Owners Abroad's share price closed 4p lower yesterday at 110p, down 37p from its highest level during the bid.

Owners Abroad's current share price would tend to underline the wisdom of Airtours' decision to sell in the market the 7 per cent stake it acquired during the bid.

Airtours is understood to have received about 118p a share, when Owners' share price was 123p, generating at least 10p a share above the average price it might have received had it tendered to Thomas Cook and then sold the balance in the market.

Airtours' share price has also fallen sharply since its 339p high during the bid. Yesterday it closed up 10 1/2p at 289 1/2p.

Only part of this fall reflects the 58.6m cost of the bid, including the loss on sale of its stake in Owners.

Thomas Cook's tender ties up the loose ends of the bid which gripped the travel industry for the first quarter of the year.

Investors and competitors will now be watching with interest to see what Owners can do with its independence

and what Airtours does now that it has failed to leap into a position to challenge Thomson, the market leader.

The company has already indicated it will spend some of its £180m war chest through an issue of convertible preference shares - to increase the size of its retail chain.

Its purchase last October of Pickfords was its first step in this vertical integration.

While Airtours believes it can continue to grow organically, it also accepts it cannot continue to grow at the breakneck speed of recent years and is considering the acquisition of brands.

See Lex

## Walker Greenbank acquisition

By Paul Taylor

WALKER GREENBANK, the restructured wallcoverings group, yesterday reported higher full-year profits and bolstered its office seating and screening fabrics business through the £1.6m acquisition of John Hartley (Cowling).

The Hartley purchase, which included the assumption of £700,000 in debt, was financed through a placing yesterday of 4.32m new shares at 70p a share. The surplus £1.1m proceeds will be used to develop the Hartley business and pay down the assumed debt. The shares closed unchanged at 75p yesterday.

Greenbank, which has undergone a substantial reorganisation over the last couple of years under a new management led by Mr Charles Wightman, chief executive, yesterday reported a 4.1 per cent increase in pre-tax profits from £5.43m to £5.65m in the year to January 31.

The pre-tax growth was held back by higher interest charges of £520,000 (£236,000). Earnings per share increased by 3.6 per cent to 4.28p (4.14p) and the final dividend is unchanged at 1.9p for a maintained total of 3.1p.



Charles Wightman, left, with Martin Hynes, finance director, yesterday reported a 4 per cent increase in profits to £5.65m.

Turnover declined marginally to £56.2m (£56.8m) reflecting the sale of businesses, including loss-making Bloom Signs. Turnover from ongoing businesses rose to £51.5m (£47.9m) including a significant increase in overseas sales to £12m (£8.5m).

Operating profits increased 6 per cent to £6.23m (£5.88m) before exceptional charges of

£80,000 (£212,000) including reorganisation and closure costs of £158,000 (£1.43m) and a £489,000 property write-down offset by a £585,000 (£1.16m) profit on the disposal of two properties. The property write-down followed a January revaluation which also led to a £2.2m write-off against revaluation reserves.

The results also included an

extraordinary gain of £1.47m comprising the £3.58m in net proceeds from out-of-court settlement of its dispute arising from the 1987 acquisition of Alkar, partly offset by a £2.1m loss on the disposal of businesses.

Group borrowings at the end of the year were marginally higher at £1.6m representing gearing of 6 per cent but have since been reduced to "negligible levels."

### COMMENT

Greenbank's management team must hope that with the favourable settlement of their Alkar litigation, the worst is behind them. The group is now focused on its core commercial and consumer wallcoverings businesses, the balance sheet is solid and acquisitions like Hartley look sensible. Raw material costs are rising and will probably trim gross margins this year by about 1 per cent but this should be offset by growing exports, particularly to continental Europe.

Pre-tax profits should reach about £7m this year producing earnings of some 6p and a prospective p/e of 15. The shares have risen sharply since September, but could still go higher.

## AT&T buys wireless phone group

By Alan Cane

SHAYE Communications, a small, privately-held UK company which is a world leader in wireless telephone technology, has been bought by AT&T, the US telecommunications group.

The consideration was disclosed, but is thought to be some tens of millions of pounds. Mr Bill Jeffrey, the founder, will remain chief executive.

Shaye will remain in Winchester and no change of employment is envisaged for its 60 staff, most of whom are involved in research and development.

The purchase fills a gap in the US company's international portfolio of wireless telephone products.

Shaye specialises in a form of wireless telephony - CT2 - which has been unsuccessful in the UK, but looks like being a sizeable success abroad.

Known as Telepoint in Britain, the technology depends on a network of base stations, or transceivers, in public places which transmit calls from portable telephones.

## Prior placing for £2.37m

PRIOR, the property trading and investment group, is proposing to raise about £2.37m through an issue of new shares at 24p each. The shares are being conditionally placed by Paribas, but there is an open offer to shareholders on a 7-for-2 basis at 24p.

In addition, it is proposed that the balance of a loan of £300,000 made to the company by Ardenbell, controlled by the family trust of Mr James Prior, chairman, be converted into 12m new shares at the placing price. As Mr Prior and a com-

pany associated with him will not be taking up their full entitlement under the offer, their holding will fall from 61 to 34.74 per cent of the capital.

It is also proposed to convert each 10p share into one ordinary 1p share and one 9p deferred share, which will be cancelled.

Agreements have been reached with the group's banks to restructure its £4.93m debt. Syndicate banks have agreed to release Prior from its guarantee of a £12m loan to a former subsidiary, for £100,000.

## DAIMLER BENZ

We hereby invite our shareholders to the 97th Annual General Meeting, which will be held on Wednesday, May 26, 1993 at 10.00 a.m., in the Hanns-Martin-Schleyer-Halle, Mercedesstrasse 69 in 7000 Stuttgart 50 (Bad Cannstatt).

### Agenda

1. Presentation of the financial statements, the consolidated financial statements and the combined business review for Daimler-Benz Aktiengesellschaft and the Daimler-Benz group for the 1992 financial year, together with the Report of the Supervisory Board.
2. Resolution concerning the distribution of unappropriated profit. Regarding distribution of the unappropriated profit of DM 5,094 million for the 1992 financial year, it is proposed that the extraordinary profits of DM 4,490 million be transferred to retained earnings and that DM 604 million be paid in dividends to shareholders. This corresponds to a dividend of DM 13 for each eligible ordinary share of DM 50 par value.
3. Formal approval of the Board of Management's actions for the 1992 financial year.
4. Formal approval of the Supervisory Board's actions for the 1992 financial year.
5. Election of auditors for the 1993 financial year.
6. Election to the Supervisory Board.
7. Resolution concerning the conversion of preference shares into ordinary shares and concerning the place of the Annual General Meeting, with modification of the Articles of Association accordingly.
8. Special resolution of the holders of ordinary shares concerning the conversion of preference share capital into ordinary shares, with modification of the Articles of Association accordingly.
9. Special resolution of the holders of preference shares concerning the conversion of the preference share capital into ordinary shares, with modification of the Articles of Association accordingly.

Entitlement to attend the Annual General Meeting and to exercise voting rights is restricted to shareholders who in accordance with the Articles of Association deposit their shares or the certificates of deposit of their shares at the latest by Tuesday, May 18, 1993 at the depositary below or with the company or with a German notary or a bank for central depository of securities and leave them there until the end of the Annual General Meeting.

The depositary in the United Kingdom is Deutsche Bank AG, London Branch.

Shares can also be deposited properly if with the consent of a depositary they are blocked for its account by a bank until the end of the Annual General Meeting.

A copy of the 1992 Annual Report as well as admission cards for the Annual General Meeting can be obtained from Deutsche Bank AG, London Branch, 6 Bishopsgate, London EC2P 2AT.

Stuttgart-Möhringen, April 15, 1993

Daimler-Benz Aktiengesellschaft  
The Board of Management

## Irish Life lower but free of exposure to GPA

By Tim Coone in Dublin

IRISH LIFE, Ireland's largest fund manager in the life and pensions market, reported an 8 per cent drop in embedded value for 1992, from £540m to £494m.

That was better than market expectations which anticipated a fall to £475m. Funds under management at the year-end amounted to £431m (£55m).

Principal causes of the fall were adverse tax changes, and losses on investments of £40m, of which £24m was accounted for by the write-down of the interest in GPA, the aircraft leasing group.

Policyholder funds suffered an additional write-down of £46m attributable to the group's shareholding in GPA, but as a result "neither our policyholder nor our share-

holder funds carry any remaining material exposure to GPA".

Overall premium income in the core Irish market fell 6 per cent to £541m. Individual single premium business, plunged 45 per cent to £155.7m.

The associated business, Irish Life Finance Group, saw a 29 per cent rise in its home loans portfolio to £278m and a 53 per cent increase in its finance loan portfolio to £51m.

Premium income in the UK improved 6 per cent in sterling terms, but turned into an 8 per cent drop on conversion into pounds. A drop in dollar premium income translated into an almost unchanged £77.7m.

Net profit was £51.7m (£50.7m) and earnings 10.54p (10.23p). The final dividend is 5.44p for a total of 8.44p; last year's payment of 5.44p was the first since privatisation.

## Improved margins help Golden Vale rise 13.5%

GOLDEN VALE, the Irish dairy group, yesterday reported a 13.5 per cent increase to £16.7m in 1992 pre-tax profits on turnover marginally ahead at £228m, writes Tim Coone.

The company said the increase was due to increases in volume and margins in the consumer products and food ingredients markets and reduced volume in the lower-margin primary dairy products markets.

Strong cash flow and working capital management reduced net borrowings to £7.5m (£20.6m), leaving gearing at 8.8 per cent (27.9 per cent). Mr Liam Irvine, finance director, said that allowed the company to spend "another £30-40m on acquisitions without having to go to the market".

The Cork-based company is the largest milk processor in Ireland, processing 700m litres annually - or 11 per cent of the national quota.

Furthermore, through its 74.9 per cent stake in DFP in Northern Ireland, it is also the fourth largest processed cheese producer in the EC. It intends to exercise an option to acquire the outstanding stake in 1993. Last month it made a recommended £21.7m bid for Leckpatrick, a dairy processor.

Mr Jim O'Mahony, chief executive, anticipated significant growth in 1993 "based on achieving further development of new products in the consumer products and food ingredients markets and the expansion of operations in the UK and Europe".

A final dividend of 1.13p makes a 1.63p (1.36p) total.

## Gowings gets lift from its leisure division

Gowings, which operates motor dealerships, food services and residential parks, recorded profit of £100,000 pre-tax for 1992 after taking in exceptional credits of £75,000.

Mr John Fowles, chairman, said there was continued improvement from the two Ford dealerships and a significant recovery from losses of £236,000 to trading profits of £318,000 for the leisure division - Burger King restaurants and Rocco's, and Park Homes. Group turnover rose to £51.9m (£48m) and trading profit surged to £743,000 (£78,000).

In the previous year there was a loss of £293,000 after exceptional charges of £342,000. The dividend is held at 2p with a final of 1p. Earnings were 0.61p (losses 10.6p).

## Standard Chartered chairman's pay rises 29%

By Robert Peston, Banking Editor

MR RODNEY Galpin, chairman of Standard Chartered, the international bank, received a 29 per cent pay increase to £393,000 last year even though the bank's pre-tax profits fell slightly.

Standard said the rise was justified because "underlying" profits had risen sharply - profits before bad debts rose 25

per cent to £436.5m.

However, the financial performance was hurt by a £268m charge for bad and doubtful debts, including a £272m provision to cover possible losses from Standard's involvement in an Indian stock market scandal.

Pre-tax profits fell from £205.3m to £202m.

In its annual report Standard also disclosed that it had set up Standard Chartered Holdings (International), a Dutch

holding company that would hold the majority of the group's overseas subsidiaries and associate undertakings.

The bulk of Standard's operations are in the Far East and Africa.

The bank said the new corporate structure was intended to be more tax efficient than existing arrangements, but did not disclose further details.

Mr Galpin is retiring at the annual meeting in May, to be replaced by Mr Patrick Gillam, deputy chairman.

THE WARDLEY  
CHINA FUND LIMITED  
Unaudited NAV per share  
as at 31st March, 1993  
US\$10.49

INVESTORS  
CHRONICLE

On sale  
every Friday  
£1.60  
from your  
local  
newsagent

FINANCIAL TIMES

## NOTICE OF EARLY REDEMPTION Halifax Building Society £200,000,000 Floating Rate Loan Notes 1994

Notice is hereby given that, pursuant to Condition 5(b) of its £200,000,000 Floating Rate Loan Notes 1994 (the "Notes"), Halifax Building Society will redeem all of the Notes at their principal amount on 17th May 1993.

The Notes may be surrendered for redemption at the specified office of any of the Paying Agents, which are as follows:

Kreditbank S.A. Luxembourg Kreditbank N.V.  
43, boulevard Royal 7 rue d'Arenberg  
L-2955 Luxembourg B-1000 Brussels

Royal Bank of Canada Swiss Bank Corporation  
71 Queen Victoria Street Aschenmattstrasse 1  
London EC4V 4DE CH-4001 Basle

Payment in respect of the Notes will be made against presentation and surrender, on or after 17th May, 1993, of Notes together with all unreturned Coupons appertaining thereto. Such payment will be made in sterling at the specified office of the Paying Agent in London or, at the option of the holder, at any specified office of any Paying Agent by a sterling cheque drawn on, or by transfer to a sterling account maintained by the payee with, a bank in London.

Interest shall cease to accrue on the Notes from 17th May, 1993 and unreturned Coupons relating to the Notes shall become void on such date.

The Principal Paying Agent

Kreditbank Luxembourg

Luxembourg, April 15, 1993

vita

INTERNATIONAL  
LEADER IN THE  
APPLICATION OF  
SCIENCE, TECHNOLOGY  
AND ENGINEERING

PRODUCING  
SPECIALISED POLYMER,  
FIBRE AND  
FABRIC COMPONENTS

SERVING THE  
FURNISHING,  
TRANSPORTATION,  
APPAREL, PACKAGING  
AND ENGINEERING  
INDUSTRIES

## HIGHLIGHTS FROM THE 1992 REPORT AND ACCOUNTS

Turnover : up 14% to £789m  
Profit before tax : up 10% to £55.2m  
Earnings per share : remain at 16.3p  
Dividend per share : up 5% to 7.15p

- Commendable UK results reflect improvements in manufacturing and quality systems as well as innovative product developments.
- Good progress in Continental Europe, despite difficulties in Spain.
- Strong Balance Sheet, including benefit of 1992 Rights Issue.
- 1993 developments to date include new foam operations in Poland to fulfil potential demand and further progress in activities in North America.

AGM to be held 2.15pm Wednesday 14 April at

BRITISH VITA PLC, MIDDLETON, MANCHESTER M24 2DB

Telephone: 061-643 1133. Fax: 061-653 5411.

Copies of the Annual Report can be obtained from the Company Secretary

مكتبة الجليل

## Enlarged Yule Catto edges ahead to £22m

By Richard Gourlay

**YULE CATTO**, the industrial chemicals and building products group, yesterday reported a slight rise in 1992 profits and an improvement in earnings for the 12th successive year.

The earnings record sets Yule Catto apart from most other chemical companies which have not sufficiently controlled costs during the recession.

Pre-tax profits rose from £21.8m to £22.2m on sales up 1 per cent at £267.4m. Earnings per share rose from 18.1p to 18.4p and the company is proposing a final dividend of 8.4p, giving a total of 5.9p - up 9.3 per cent.

Profits in the specialty chemicals division rose 8.8 per cent to £12.8m and were poised to benefit any cyclical upturn that emerges, according to Mr. Allister McLeish, finance director.

The company is likely to benefit from the decline of sterling and from a strong position in Malaysia, further strengthened by two acquisitions.

Profits in the building materials side, however, fell 11.8 per cent to £7.5m. Improvements in the UK companies were offset by weakness in the Netherlands and France. Half of the divisions' sales are in the UK and half in continental Europe. The company sells products specified by architects, like office space glazing and roof lighting, and is not exposed to the domestic house building market.

In spite of the weakening German market, Yule Catto's companies were doing reasonably well and would continue to benefit from exposure in the eastern part of the country.

Mr. McLeish said the company would obviously benefit from any increase in sales that might emerge from the improved sentiment. But it had succeeded in maintaining earnings growth through the introduction of new products which enjoyed higher margins.

Net debt over the year fell from £11.5m to £10m, bringing gearing down to 20 per cent and leaving interest more than 11 times covered.

## Tinplate takes the pressure

Andrew Baxter reports on an important division for British Steel

**I**N THE year since Mr. Don Turner switched from running British Steel's narrow strip business to become managing director of the South Wales-based tinplate division, he has been putting his new colleagues' welcoming remarks to the test.

"When I came here they said this isn't a cyclical business," he says. If anything it was viewed as anticyclical - because people are supposed to eat more canned food in a recession.

That has not been demonstrated totally in the current recession, he says, but the cycle is much less pronounced than in the general steel industry.

"It's nothing like what you find in steel markets such as construction and automobile manufacture," says Mr. John May, marketing manager.

The relative stability of the tinplate business is important for British Steel, whose other products have taken the full blast of the downturn.

Tinplate - which is 98.75 per cent steel - accounts for about 10 per cent of the company's finished products and at about £500 a tonne generates annual revenues of some £400m.

Overall, the European can market is showing "static to slow growth," says Mr. May - not exciting, perhaps, but a contrast to some general steel markets which are in structural decline.

In some ways, though, the tinplate business has problems similar to those of general steel. "Prices are not what they should be, there is a continuing cost-price squeeze and there is overcapacity," says Mr. Turner.

Demand in Europe is about 3.6m tonnes, compared with capacity of between 4.5m and 5m tonnes. Consequently, prof-

itability is hardly sparkling, but is better than average for a steel business. Actual profits are not disclosed.

And, just as in the general steel business, rationalisation within the industry has left its mark on British Steel Tinplate. A workforce of 14,000 in the early 1970s - including basic steelmaking at the old Ebbw Vale works in Gwent - fell to 5,000 three years ago.

Then, the Veilindre works

aluminum industry for the bears and minds of the beverage industry and its customers - which ultimately means the shopper.

The claims and counter-claims about the relative environmental friendliness, recyclability, and aesthetic qualities of steel versus aluminium put the marketing of tinplate on a different plane to that of, say, steel beams for the construction industry.

**"When I came here they said this isn't a cyclical business," Don Turner says. If anything it was viewed as anticyclical - because people are supposed to eat more canned food in a recession.**

near Swansea was closed, and employment is now about 3,200, most of whom are at the two remaining plants, Trostre near Llanelli and Ebbw Vale.

But there the similarity with the rest of British Steel ends. The tinplate business is really part of the packaging industry, says Mr. May, and over the past decade has become much more European in outlook as the structure of its customer industries has changed.

"There has been pressure on the tinplate industry to concentrate, that has come from downstream where there has been great concentration in the packaging industry - and this has happened among the retailers too."

So the number of can-making customers is much smaller than the huge variety of customers for general steel. Unfortunately, though, direct customers are only part of the picture.

Tinplate is also involved in a very public and occasionally acrimonious battle with the

The battle to persuade a brewer, for example, to switch from aluminium to steel cans could start with Mr. May's marketing team convincing a Loo-doo design house that the can design would work best in steel.

Over the past four years, British Steel Tinplate has spent £100m to ensure it maintains its position against its tinplate rivals and fight the materials battle effectively.

The investment culminates in July with the opening of a new tinning line at Trostre.

"The company is one of four big tinplate producers in Europe, along with Rasselstein - part of German group Thyssen - Hoogovens of the Netherlands and Sollac, part of France's Usinor Sacilor.

Each hold a strong share of their home market, but are trying to boost sales elsewhere. There are nine other producers, but these lack the full product lines of the big four.

Most of the investment at British Steel Tinplate has gone

towards productivity improvements, maximising product quality and reducing cycle times in the manufacture of thousands of tinplate grades.

The biggest single investment was a £50m continuous annealing plant, commissioned in 1988. A £38m line has also been introduced, allowing the company to offer tinplate strip up to 1900mm wide, initially for the beverage industry.

Much smaller investments - although no less important in the long term - have been made in a Packaging Steels Development Centre at British Steel's main Port Talbot site.

This is the focus of efforts to capitalise on what Mr. Turner sees as steel's USP (unique selling point) - its greater strength compared with aluminium, allowing the development of steel cans with ever-thinner walls.

Developments such as the Ecotop, a dual button all-steel can end now being test marketed in Europe, are particularly important in areas such as the UK beverage sector, says Mr. Turner.

Overall, 12bn steel cans are used in the UK every year, but only 3m go to beverage producers - and even those have aluminium tops.

While steel is dominant in food cans, aluminium leads the beverage market. "It is important to attack that market," says Mr. May.

The most important development could come next year when British Steel unveils the all-steel Ultimate Can, made from a new steel allowing for a 30 per cent weight reduction on previous steel cans.

The can is being developed jointly by British Steel Tinplate, Hoogovens and Rasselstein - a sign that the big groups are prepared to unite against a common enemy.

## Alexandra in the black with £1.7m

By Catherine Milton

**ALEXANDRA** Workwear, a manufacturer and distributor of work clothes, yesterday announced a return to profits for the year to January 30 1993, reporting £1.7m before tax against losses of £500,000 previously.

The comparison is, however, distorted by a £1.5m exceptional provision last time resulting from the closure of a factory in Scotland and associated redundancies.

Mr. Gerald Dennis, chairman, said: "The group's strategy for the year was to significantly improve its balance sheet and restore profitability. We were successful in both in the past year."

Borrowings were reduced to £10.1m (£10m) cutting gearing from 73 to 46 per cent, and the company believes its debt will be halved by the next year end. Interest charges fell from £2.6m to £1.7m.

The high level of stock was reduced to £12.9m (£18.6m), with a further £2m of cuts planned for the current year. Stock turnover was about four months.

Mr. Dennis said past investment in a computer meant the company would meet customers orders should demand pick up suddenly.

One analyst said that "the company outperformed during the 1990s but when demand fell it didn't take control of its stock levels. This is evidence



Gerald Dennis; strategy for the year had been successful

that it is repairing that damage and that they are back on track."

Turnover was virtually flat at £57m (£57.2m). Mr. Dennis said that during the first half it had sold "selected" goods at less-than-profitable prices to keep its factories occupied and prevent redundancies.

This had reduced operating profits by about £900,000 and affected gross margins, which fell to 42.4 per cent (43.9 per cent).

New "stylishly personalised" merchandise had given the retail operations a fillip.

Sales in France advanced 12 per cent and overseas sales were up 3.4 per cent at £5.5m (£5.3m) in total.

A recommended final dividend of 2p gives a total for the year of 3.8p (3.6p), payable from earnings per share of 3.9p against losses of 0.8p.

## Friendly Hotels falls 35%

INCREASED administrative costs and interest charges resulted in a 35 per cent downturn in annual profits at Friendly Hotels.

On turnover of £29.8m (£28.7m), the pre-tax line for the 12 months to December 27 amounted to £2.54m (£3.8m), struck after administrative costs of £14.5m (£12.7m) and interest payable of £1.55m (£1.19m).

Nevertheless, Mr. Henry Edwards, chairman of the hotel, catering and serviced offices group, said the outcome was a "credible performance" given the difficult trading conditions during the year.

He said, however, that trading had improved in the early part of the current year. The level of advance bookings had shown an "encouraging" increase recently. The 17 serviced office complexes

achieved "satisfactory" profits but margins remained under pressure.

A provision of £2.18m (£2.44m) was taken below the line in respect of further disposals of quick service restaurants and Care Homes; one of each remain to be sold and no further provisions are anticipated.

The recommended final dividend is raised to 3.5p bringing the total for the year to 5.7p (5.5p), covered twice by fully diluted earnings of 11.4p (15.5p) per share.

**Australian sale by Smith & Nephew**

Smith & Nephew has completed the sale of its interest in Smith & Nephew Plastics Pty for A\$7.5m (£1.7m) cash. This accords with its strategy of concentrating on the core worldwide healthcare businesses.

The purchaser is a subsidiary of Pacific Cup (Hong Kong), which makes disposable food containers.

Sales and operating profit of

Smith & Nephew Plastics in 1992 were A\$40m and A\$5.6m respectively. Net assets at end 1992 came to A\$17m.

**Plateau Mining advises rejection**

Directors of Plateau Mining, the former natural resources company which is now a shell, consider the all-share offer worth £12m from Kingstream Resources of Australia to be "without merit", and advise shareholders to ignore any documents they may receive.

They said the offer was priced at a discount to the cash resources (stated to be more than £1m) of the company and was denominated in Australian shares.

**Whitcroft sells Wallcote companies**

Whitcroft, the building products, lighting and textiles company, has sold its Wallcote subsidiaries and has now largely withdrawn from home improvement activities.

Purchaser was Wallcote Group, a company set up for the purpose of the acquisition by Mr. Barry Beck, managing director and one of the founders of the business.

**Anglo-Eastern rises to £1.32m**

Anglo-Eastern Plantations continued to progress through the second half and for the full 1992 year achieved a rise in profits from £471,000 to £1.32m pre-tax.

Having returned to the dividend list at the midway stage the rubber, cocoa and palm oil estates company is now recommending a 1p final for a 1.375p total.

Turnover totalled £4.38m (£3.73m). Earnings per share rose to 3.4p (1.1p).

The directors said the improved results reflected the first full year of operation of the palm oil mill and a strong palm oil price throughout 1992.

Anglo-Eastern is ultimately owned by Chillington Corporation.

### NEWS DIGEST

## CALLING OF A SHAREHOLDERS MEETING

The shareholders of Credito Italiano are called to attend an Ordinary Shareholders Meeting to be held on April 26, 1993 at 3.30 p.m. in the Bank's registered office in Genoa, in Via Dante 1. If necessary a second sitting will be held on May 3, 1993 at the same address and at the same time, to discuss and debate upon the following

### Agenda

- 1) The declaration that the third paragraph of Article No. 5 of the Company's Articles of Association has become null and void, in that it conflicts with Articles Nos. 2348 and 2351 of the Italian Civil Code (these deal with the conflicting aspects which arose from Article No. 26 of Royal Law Decree No. 375/36 which was converted in Law No. 141/38 and its subsequent amendments, having been done away with, and from Presidential Decree No. 1655/65 having been repealed).
- 2) The reports submitted by the Board of Directors and by the Statutory Auditors. The Balance Sheet as at December 31, 1992 will be presented and the relative resolutions made.
- 3) Appointment of the Directors after having resolved upon their number.
- 4) One Auditor and two Alternate Auditors to be appointed to the Board of Statutory Auditors to make up the required number.
- 5) Authorization to transfer to the "Additional Reserve", the balance in the "Reserve Fund for the Purchase of Own Shares", which was set up following the resolution passed with regard to point No. 2 on the Agenda of the Shareholders Meeting held on September 11, 1992, in the part which dealt with Ordinary Business.

All shareholders holding shares with voting rights may attend the meeting, providing that they are listed in the Shareholders Register, and that they have deposited their shares with any Credito Italiano branch or with Monte Titoli S.p.A., at least five days before the date scheduled for the Shareholders Meeting.

THE BOARD OF DIRECTORS



No. 0012 of 1993

IN THE HIGH COURT OF JUSTICE

Chancery Division Companies Court

IN THE MATTER OF

ST HELEN'S INSURANCE COMPANY LIMITED

(IN LIQUIDATION)

and

IN THE MATTER OF THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that on 12th March 1993 the Scheme of Arrangement between the above-named company and the Scheme Creditors (as defined in the Scheme of Arrangement) was approved unanimously by the Scheme Creditors.

FURTHER NOTICE IS HEREBY GIVEN that by an Order dated 7th April 1993 made in the above matter, the Court has approved the Scheme of Arrangement. The Operative Date (as defined in the Scheme of Arrangement) for the Scheme is 7th April 1993.

After the Operative Date, Claim Forms (as defined in the Scheme of Arrangement) will be dispatched to all known Scheme Creditors. If any creditor does not receive a Claim Form, one may be obtained by contacting either Mr. B. Harding or Mr. R. Johns at Coopers & Lybrand, St. Andrew's House, 20 St. Andrew Street, London EC4A 3AY, Telephone: 071-606 7700; Facsimile: 071-212 6800. Scheme Creditors should note that all Claims must be submitted to the Joint Liquidators on or before 7th August, 1993 - the Claims Submission Deadline.

Dated 15th April 1993 I D B Bond Joint Liquidator

## STATE LOAN OF THE KINGDOM OF HUNGARY 7 1/2% (Now 2.75 per cent) Sterling Bonds 1924

Notice is hereby given that a Drawing of Bonds of the above loan took place on 1st April 1993, attended by Mr. Michael Jeremy Upsall, of the firm of Middleton & Upsall, Notary Public, when the following bonds, which have been assented to the 1968 Offer, were drawn for redemption at 110% on 1st May 1993, from which date all interest thereon will cease:

9 BONDS OF £1000 NOMINAL CAPITAL EACH

Numbers: 50094 50107 50120 50143 50286 50305 50685 50694 50745

39 BONDS OF £500 NOMINAL CAPITAL EACH

Numbers: 51029 51101 51152 51160 51220 51230 51231 51241 51274 51497 51518 51553 51574 51812 51826

52061 52163 52225 52227 52266 52289 52378 52617 52626 52665 52707 52784 52785 52850 52950 53127 53146

53173 53184 53253 53269 53282 53290 53315

324 BONDS OF £100 NOMINAL CAPITAL EACH

Numbers: 54008 54010 54081 54131 54177 54346 54392 54413 54446 54634 54649 54659 54688 54711 54812

54839 54884 54968 54974 55031 55045 55073 55468 55518 55571 55605 55638 55716 55793 55922 55950 58297

56357 56481 56487 56605 56631 56658 56681 56719 57122 57130 57147 57238 57239 57259 57383 57547 57555

57621 57736 57754 58050 58165 58216 58254 58283 58317 58409 58480 58551 58569 58665 58707 58716 58720

58738 58760 58787 58869 59013 59091 59179 59234 59309 59335 59353 59554 59596 59617 59710 59848 59915

59953 59964 59996 60005 60018 60062 60075 60087 60088 60089 60114 60122 60182 60232 60281 60299 60307

60312 60400 60460 60492 60531 60590 60616 60715 60737 60806 60882 60918 60968 61468 61511 61543 61569

61595 61844 61801 61839 61937 61938 62046 62172 62183 62242 62277 62437 62923 63063 63085 63177 63234

63250 63283 63303 63307 63309 63328 63357 63461 63462 63524 63540 63583 63607 63611 63815 63915 63962

63992 64032 64148 64193 64202 64277 64306 64454 64459 64520 64605 64609 64706 64823 64863 64882 64904

64988 65035 65084 65225 65290 65515 65709 65713 65715 65732 66140 66148 66161 66170 66202 66206 66478

66510 66649 66685 66986 66991 67101 67187 67188 67465 67573 67582 67632 67644 67828 68296 68309 68315

68364 68476 68644 68689 68891 68739 68740 68780 68822 68880 69006 69099 69349 69398 69433 69458 69726

69745 69753 69927 69949 70001 70043 70071 70107 70179 70276 70308 70349 70398 70504 70523 70579

70600 70652 70663 70700 70735 70760 70834 70864 70866 70876 70902 70950 70954 70979 70981 71030 71263

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72155 72335 72461 72472 72473 72517 72522 72597 72874 72878 72726 72751 72783 72817 72834 72864 72865

72885 73556 73653 73837 73847 73888 73940 73991 74001 74067 74096 74102 74131 74143 74234 74335 74356

74420 74594 74627 74641 74676 74726 74749 74755 74768 74772 74781 74795 74803 74810 74819 74978 75014

75091 75121 75127

372 Bonds amounting to £60,900 nominal capital.

Witness: Michael J. Upsall, Notary Public.

Each of the above bonds which presented at the office of Barclays Bank PLC for redemption must bear the coupon dated 1st May 1994, and all subsequent coupons, otherwise the amount of the missing coupons will be deducted from the principal to be repaid. Special listing forms can be obtained on application.

The usual interval of four clear days will be required for examination.

NOTICE IS HEREBY GIVEN that the Coupons due 1st May 1993 from bonds of the above loan, which have been assented to the 1968 Offer, may now be lodged with Barclays Bank PLC, listed on the special forms associated in London to the 1968 Offer, may now be lodged with Barclays Bank PLC, listed on the special forms associated in London to the 1968 Offer, which can be obtained on application.

The usual interval of four clear days will be required for examination.

BARCLAYS BANK PLC  
STOCK EXCHANGE SERVICES DEPARTMENT  
168 Fenchurch Street, London EC3P 3HP  
15th April 1993

## SANPAOLO

ISTITUTO BANCARIO SAN PAOLO DI TORINO SPA

Head Office: 10121 Torino - Piazza San Carlo 156

Paid-in Capital: 11,250 billion - Reg. no. 4382/91 Trib. Turin

Fiscal Code and IVA no. 06510280019 - Cod. ABI 1025 S

A company belonging to San Paolo Bank Holding S.p.A.



# Market struggles after large placing

By Steve Thompson

THE PLACING of a large stake in Sears, one of the UK market's most important retailing groups, proved the high point in an otherwise subdued London equity market.

Apart from a burst of interest triggered by the Sears placing, the wider market did little more than mark time. Senior traders pointing out another session of low attendance, attributed to many dealers taking an extended Easter holiday break.

The probability of another nationwide rail strike on Friday did little to encourage enthusiasm in the market.

"Many of the important trading houses have written off the week and will not open any sizeable positions until next week," said the head of trading at one of the big international dealing houses.

The FT-SE 100 index ended the session a net 4.7 lower at 2,842.1, again outperforming the FT-SE Mid 250 index which closed 8.6 down at 3,092.7.

Turnover on the London market was substantially inflated by the placing of the 10.6 per cent stake in Sears, which, allowing for double counting, spoke for more than 300m of the market's 822m shares traded yesterday.

The Sears stake, built up by the Al-Fayed brothers in 1987 was acquired and then sold on to a

number of institutions, by Goldman Sachs, the US investment bank via a bought deal thought to have netted the US investment bank a profit of around £1.5m. Despite the low attendance levels on Tuesday, the value of customer business in the equity managed to top the crucial £1bn mark, reaching a creditable £1.028bn.

The equity market began the trading session in good form,

with dealers hoisting opening prices after the latest improvement on Wall Street which followed up Tuesday's 31 points surge with a rise of almost 16 points.

However, dealers said the Sears placing, which they described as the equivalent of a £150m rights issue, took the steam out of the market which, having improved over nine points within the first hour of

trading, came under pressure for the rest of the day.

Another strong opening by Wall Street, which was a good 11 points higher soon after it opened, failed to galvanise a London market looking increasingly weary as the session wore on. At its worst, the Footsie 100 was down 8.5 points at 2,838.3.

Marketmakers said the slide was not wholly down to the big

Sears placing. "There were a number of big lines of stock on offer, and that unsettled the market nearly as much as the placing of Sears," said one trader. He added that despite the generally good news on European interest rates there was a feeling that the equity market would now struggle to make any further headway.

The utilities areas of the market continued to attract strong selling pressure with the big institutions said to have switched out of the water and electricity areas and back into the food manufacturing, retailing and brewing areas of the market.

Drug stocks, mauled in recent weeks by a succession of bad news, staged a good recovery led by ICI.

Hong Kong-related stocks, which continued to surge ahead on Hong Kong markets after the agreement between the Chinese and British governments to resume talks about the 1995 elections, remained in the forefront of the Footsie 100 index.

Account Dealing Dates

Year Ending: Mar 29, Apr 15, May 10, May 20, Jun 15, Jun 25, Jul 10, Jul 20, Aug 10, Aug 20, Sep 10, Sep 20, Oct 10, Oct 20, Nov 10, Nov 20, Dec 10, Dec 20

Option Expiry Dates: Apr 15, Apr 16, Apr 17, Apr 18, Apr 19, Apr 20, Apr 21, Apr 22, Apr 23, Apr 24, Apr 25, Apr 26, Apr 27, Apr 28, Apr 29, Apr 30, May 1, May 2, May 3, May 4, May 5, May 6, May 7, May 8, May 9, May 10, May 11, May 12, May 13, May 14, May 15, May 16, May 17, May 18, May 19, May 20, May 21, May 22, May 23, May 24, May 25, May 26, May 27, May 28, May 29, May 30, May 31, Jun 1, Jun 2, Jun 3, Jun 4, Jun 5, Jun 6, Jun 7, Jun 8, Jun 9, Jun 10, Jun 11, Jun 12, Jun 13, Jun 14, Jun 15, Jun 16, Jun 17, Jun 18, Jun 19, Jun 20, Jun 21, Jun 22, Jun 23, Jun 24, Jun 25, Jun 26, Jun 27, Jun 28, Jun 29, Jun 30, Jul 1, Jul 2, Jul 3, Jul 4, Jul 5, Jul 6, Jul 7, Jul 8, Jul 9, Jul 10, Jul 11, Jul 12, Jul 13, Jul 14, Jul 15, Jul 16, Jul 17, Jul 18, Jul 19, Jul 20, Jul 21, Jul 22, Jul 23, Jul 24, Jul 25, Jul 26, Jul 27, Jul 28, Jul 29, Jul 30, Aug 1, Aug 2, Aug 3, Aug 4, Aug 5, Aug 6, Aug 7, Aug 8, Aug 9, Aug 10, Aug 11, Aug 12, Aug 13, Aug 14, Aug 15, Aug 16, Aug 17, Aug 18, Aug 19, Aug 20, 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Sep 9, Sep 10, Sep 11, Sep 12, Sep 13, Sep 14, Sep 15, Sep 16, Sep 17, Sep 18, Sep 19, Sep 20, Sep 21, Sep 22, Sep 23, Sep 24, Sep 25, Sep 26, Sep 27, Sep 28, Sep 29, Sep 30, Oct 1, Oct 2, Oct 3, Oct 4, Oct 5, Oct 6, Oct 7, Oct 8, Oct 9, Oct 10, Oct 11, Oct 12, Oct 13, Oct 14, Oct 15, Oct 16, Oct 17, Oct 18, Oct 19, Oct 20, Oct 21, Oct 22, Oct 23, Oct 24, Oct 25, Oct 26, Oct 27, Oct 28, Oct 29, Oct 30, Nov 1, Nov 2, Nov 3, Nov 4, Nov 5, Nov 6, Nov 7, Nov 8, Nov 9, Nov 10, Nov 11, Nov 12, Nov 13, Nov 14, Nov 15, Nov 16, Nov 17, Nov 18, Nov 19, Nov 20, Nov 21, Nov 22, Nov 23, Nov 24, Nov 25, Nov 26, Nov 27, Nov 28, Nov 29, Nov 30, Dec 1, Dec 2, Dec 3, Dec 4, Dec 5, Dec 6, Dec 7, Dec 8, Dec 9, Dec 10, Dec 11, Dec 12, Dec 13, Dec 14, Dec 15, Dec 16, Dec 17, Dec 18, Dec 19, Dec 20, Dec 21, Dec 22, Dec 23, Dec 24, Dec 25, Dec 26, Dec 27, Dec 28, Dec 29, Dec 30, Jan 1, Jan 2, Jan 3, Jan 4, Jan 5, Jan 6, Jan 7, Jan 8, Jan 9, Jan 10, Jan 11, Jan 12, Jan 13, Jan 14, Jan 15, Jan 16, Jan 17, Jan 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**INVESTMENT TRUSTS - Con**

55	—	78.5
213	—	0.390
248	—	1.8 322
1062	—	0.8 37
0	—	7.8 76
0	—	9.8 112
2	11	—
404	—	14.0 41
247	—	—
54	—	3.2 217
136	—	—
212	—	0.7 20
213	—	1.3 236
70	—	1.5 50
44	—	5.6 190
184	—	0.5 119
17	—	—
81	—	4.8 71
181	—	1.8 275
102	—	—
116	—	1.7 137
59	—	5.0 74
521	—	—
44	—	—
46	26.5	—
0	—	—
1124	—	50
10	—	87 215
42	—	73.5 5
34	—	0.2 9
634	—	—
02	—	1.4 118
112	—	—
814	—	—
50	—	21.1
50	—	—
5225	—	1.7
182	—	—
28	174	—
94	—	78.9 1
951	—	5.5
125	—	2.2
1504	—	1.9
68	—	0.9
28	—	—
57	—	—
364	—	8.0 4
125	—	—
184	—	0.5 25
248	—	3.5 25

19	83	0.2	74
373	340	2.1	41
71	8	-	-
10	5	-	-
20	15	-	-
25	29	1.1	4
103	101	1.1	13
142	68	4.8	1
121	90	3.2	12
312	-	-	-
119	105	8.3	10
23	20	-	-
263	175	8.6	25
121	181	-	11
34	26	5.6	1
16	-	-	-
332	314	-	-
94	754	10.6	-
921	160	-	-
82	77	2.8	-
26	20	-	-
53	47	1.3	-
14	15	-	-
194	65	4.9	1

87	38	-
110	82	13.6
157	163	-
98	69	10.9
31	22	-
53	33	4.1
23	15	-
46.5	44	-
484	435	4.1
183	156.5	3.8
258	245	0.4
716	105	-
85	74	11.2
148	138.5	-
203	176	2.1
128	108	6.5
375	315	4.3
288	332	1.4
21	14	-
718	82	-
571.2	47	-
886	540	3.9
118	98	-
703	85	4.8
34	30	-
71	35.5	-
81	54	-
24	71	4.0
68	135	5.8
187		

258	230	4.2
425	303	27.8
2085	1850	-2.6
391	32	18.1
17	1312	32
105	84	8.4
5612	44	12.6
5112	4814	15.4
33	27	15.4
2512	15	8.9
6614	56	4.3
181	106	133
180	133	22.1
436	548	3.5
171	164	3.8
129	119	47
57	47	8.3
87	87	0.1
24	11	179
355	276	0.9
255	179	4.7
53814	5328	8
186	98	221
7	8	21
246	221	15
38	21	81
23	15	54
95	81	4.5
68	54	

161	150	10.4
174	127	—
327	266	2.3
440	383	2.1
145	124	4.8
44	26	—
133	110	4.1
49	35	—
122	105	4.6
37	23	—
50	38	5.2
149	116	1.8
E143	E117 <sub>2</sub>	—
67	39	0.8
71	41 <sub>2</sub>	—
E15	282	4.4
305	276	—
319	265	4.8
306	260	—
312	263	1.7
308	256	—
103	98	13.4
68	73	—
3650	2750	4.5
1471 <sub>2</sub>	1421 <sub>2</sub>	—
268	230	5.6

50	84	-
20	16	-
E108	E100 <sub>2</sub>	-
71	58 <sub>2</sub>	0.5
E99 <sub>2</sub>	E91 <sub>2</sub>	0.6
47	86	-
88	38	15.1
56	39	-
71	4	-
731	116	2.1
75	46	-
104 <sub>2</sub>	4	-
115	88	4.1
222	185	-
84	67	13.1
199	163	-
205	249	1.1
123	53	-
362	265	8.1
284	187	-
38	29	8.1
9	7	-
148	140	2.1
51	66	-
128	68	1.1
252	E76 <sub>2</sub>	2.1
171	157	3.1
116	190	1.1
E117 <sub>2</sub>	E100 <sub>2</sub>	2.1

323	47	8
129	114	3
355	303	8
118	106	
33-2	27	
13	11	
101	97	77
77	13	
106	51	9
21	15	
123	109	16
83	55	
11	8	
154-2	147	4
114	66	
33	22	
118	66	
20	20	
2		
78-1	77-4	
205	214	
145	128	
117	79	
274	131	
130	150	26
845	820	
171	147	
117	80	
167	106	
598	461	
296	160	
148-2	131	
8-5	131	

1	325	325
	73	68½





**FT MANAGED FUNDS SERVICE**

Continued on next page

**FT MANAGED FUNDS SERVICE**

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● Unit Trust prices are available from FT Cityline, call 0891 43 + the five-digit code listed after the unit trusts. Calls charged at 36p/minute cheap rate and 48p/minute at all other times.

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AUSTRIA			FRANCE (b)			GERMANY (cont'd)			NETHERLANDS			SWEDEN		
April 14	Prev.	%	April 14	Prev.	%	April 14	Prev.	%	April 14	Prev.	%	April 14	Prev.	%
Asiatic Amc.	7,550	+8	AGF	633	+5	April 14	Prev.	%	April 14	Prev.	%	April 14	Prev.	%
Commodity	528	-	Alp. Liqueur	670	-18	Continental AG	205	-20	A/B M Africa Holding	18	+10	Amstar A	119	+2
EN Brenner	2,480	-10	Alp. Liqueur	670	-18	ALZONA	247	+50	ALZONA	43,20	+30	Amstar B	119	+2
Enthalp	563	+6	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar C	219	+10
Landini	563	+6	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar D	219	+10
Odele	563	+6	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar E	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar F	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar G	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar H	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar I	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar J	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar K	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar L	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar M	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar N	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar O	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar P	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar Q	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar R	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar S	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar T	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar U	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar V	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar W	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar X	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar Y	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar Z	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AA	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AB	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AC	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AD	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AE	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AF	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AG	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AH	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AI	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AJ	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AK	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AL	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AM	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AN	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AO	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AP	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AQ	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AR	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AS	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AT	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AU	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AV	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AW	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AX	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AY	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar AZ	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BA	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BB	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BC	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BD	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BE	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BF	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BG	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BH	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BI	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BJ	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BK	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BL	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BM	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BN	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BO	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BP	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BQ	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BR	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BS	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BT	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BU	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BV	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BW	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BX	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BY	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar BZ	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CA	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CB	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CC	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CD	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CE	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CF	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CG	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CH	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CI	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CJ	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CK	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CL	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CM	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CN	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CO	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur	670	-18	DLM	527	+50	ALZONA	43,20	+30	Amstar CP	219	+10
Reichmann Zimmet	800	+27	Alp. Liqueur											

## CANADA

TORONTO					MONTREAL				
Sales	Stock	High	Low	Close	Sales	Stock	High	Low	Close
4 pm close April 14					4 pm close April 14				
Outflows in cents unless marked \$					Outflows in cents unless marked \$				
3100	Abn-Am	\$144	14	14	3100	Abn-Am	\$144	14	14
1300	Algonquin	50	30	30	1300	Algonquin	50	30	30
14300	Arda	320	320	320	14300	Arda	320	320	320
14000	Warr-Bn	\$194	19	19	14000	Warr-Bn	\$194	19	19
14000	Warr-Bn	\$194	19	19	14000	Warr-Bn	\$194	19	19
80100	Alcan-Al	\$222	22	22	80100	Alcan-Al	\$222	22	22
49700	Aln-Barr	\$222	22	22	49700	Aln-Barr	\$222	22	22
500	Aln-Barr	\$222	22	22	500	Aln-Barr	\$222	22	22
26700	De Mont	\$241	24	24	26700	De Mont	\$241	24	24
1200	Imco-S	\$241	24	24	1200	Imco-S	\$241	24	24
30000	Imco-S	\$241	24	24	30000	Imco-S	\$241	24	24
5100	Imco-S	\$241	24	24	5100	Imco-S	\$241	24	24
3500	Imco-S	\$241	24	24	3500	Imco-S	\$241	24	24
35200	Imco-S	\$241	24	24	35200	Imco-S	\$241	24	24
5600	Dee Valley	\$14	14	14	5600	Dee Valley	\$14	14	14
53400	Imco-S	\$241	24	24	53400	Imco-S	\$241	24	24
31400	Imco-S	\$241	24	24	31400	Imco-S	\$241	24	24
15000	Imco-S	\$241	24	24	15000	Imco-S	\$241	24	24
7500	Imco-S	\$241	24	24	7500	Imco-S	\$241	24	24
3500	Imco-S	\$241	24	24	3500	Imco-S	\$241	24	24
6900	Imco-S	\$241	24	24	6900	Imco-S	\$241	24	24
19000	Imco-S	\$241	24	24	19000	Imco-S	\$241	24	24
2000	Imco-S	\$241	24	24	2000	Imco-S	\$241	24	24
26400	Imco-S	\$241	24	24	26400	Imco-S	\$241	24	24
2000	Imco-S	\$241	24	24	2000	Imco-S	\$241	24	24
124900	Imco-S	\$241	24	24	124900	Imco-S	\$241	24	24
21400	Imco-S	\$241	24	24	21400	Imco-S	\$241	24	24
31400	Imco-S	\$241	24	24	31400	Imco-S	\$241	24	24
81700	Imco-S	\$241	24	24	81700	Imco-S	\$241	24	24
1500	Imco-S	\$241	24	24	1500	Imco-S	\$241	24	24
13200	Imco-S	\$241	24	24	13200	Imco-S	\$241	24	24
17000	Imco-S	\$241	24	24	17000	Imco-S	\$241	24	24
500	Imco-S	\$241	24	24	500	Imco-S	\$241	24	24
300	Imco-S	\$241	24	24	300	Imco-S	\$241	24	24
23000	Imco-S	\$241	24	24	23000	Imco-S	\$241	24	24
15000	Imco-S	\$241	24	24	15000	Imco-S	\$241	24	24
10000	Imco-S	\$241	24	24	10000	Imco-S	\$241	24	24
10000	Imco-S	\$241	24	24	10000	Imco-S	\$241	24	24
3000	Imco-S	\$241	24	24	3000	Imco-S	\$241	24	24
9000	Imco-S	\$241	24	24	9000	Imco-S	\$241	24	24
3000	Imco-S	\$241	24	24	3000	Imco-S	\$241	24	24
9000	Imco-S	\$241	24	24	9000	Imco-S	\$241	24	24
3000	Imco-S	\$241	24	24	3000	Imco-S	\$241	24	24
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3000	Imco-S	\$241	24	24	3000	Imco-S	\$241	24	24
9000	Imco-S	\$241	24	24	9000	Imco-S	\$241	24	24
3000	Imco-S	\$241							

[illegible]

	13	12	8	7	1993	
					HIGH	LOW
<b>Canada &amp; U.S.</b>	2085.01	2083.91	2040.82	2074.22	2072.25 (9/2)	2043.31 (7/1)
<b>Canada</b>	2054.34	2053.07	2009.91	2027.41	2025.45 (9/2)	2000.18 (7/1)
<b>U.S.</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Stocks</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Bonds</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Commodities</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Options</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Indexes</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Volatility</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Correlation</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Skewness</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Kurtosis</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Shapiro-Wilk</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Anderson-Darling</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Breusch-Pagan</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>White</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Goldfeld-Quandt</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Levene</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Bartlett</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Cox</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Jarque-Bera</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Portmanteau</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Ljung-Box</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>McLeod-Ljung-Box</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Q-Stat</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Ljung-Box Q</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Pinka</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung-Pinka</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung-Pinka-Q</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung-Pinka-Q-Q</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung-Pinka-Q-Q-Q</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung-Pinka-Q-Q-Q-Q</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung-Pinka-Q-Q-Q-Q-Q</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung-Pinka-Q-Q-Q-Q-Q-Q</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung-Pinka-Q-Q-Q-Q-Q-Q-Q</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung-Pinka-Q-Q-Q-Q-Q-Q-Q-Q</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung-Pinka-Q-Q-Q-Q-Q-Q-Q-Q-Q</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung-Pinka-Q-Q-Q-Q-Q-Q-Q-Q-Q-Q</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043.13 (7/1)
<b>Box-Ljung-Pinka-Q-Q-Q-Q-Q-Q-Q-Q-Q-Q-Q</b>	1978.51	1930.84	2030.91	2046.81	2046.80 (9/2)	2043

TOKYO - Most Active Stocks						
Wednesday April 14, 1993						
	Stocks Traded	Opening Price	Change on day		Stocks Traded	Change on day
Nippon Steel ----	29.5tr	422	+7	Nippon Concrete --	11.3tr	-50
NEC Corp ----	35.3tr	880	+30	Isuzu Electric --	8.2tr	+14
Fujitsu Ltd ----	24.1tr	750	+30	Suzuki Motor ----	6.9tr	+12
On Electric Ind --	14.5tr	520	+05	Fujikura Ltd ----	7.7tr	-70
Suntomo MS Mfg --	12.5tr	880	+11	Nawasaki Steel --	6.5tr	-8

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NYSE COMPOSITE PRICES

4 pm close April 14

Table with 10 columns: Stock, High, Low, Open, Close, Change, Volume, Bid, Ask, Spread. Includes sub-sections for -S- and -T-.

NASDAQ NATIONAL MARKET

4 pm close April 14

Table with 10 columns: Stock, High, Low, Open, Close, Change, Volume, Bid, Ask, Spread. Includes sub-sections for -K-, -L-, -M-, -N-, -O-, -P-, -Q-, -R-, -S-, -T-, -U-, -V-, -W-, -X-, -Y-, -Z-.

AMEX COMPOSITE PRICES

Table with 10 columns: Stock, High, Low, Open, Close, Change, Volume, Bid, Ask, Spread. Includes sub-sections for -A-, -B-, -C-, -D-, -E-, -F-, -G-, -H-, -I-, -J-, -K-, -L-, -M-, -N-, -O-, -P-, -Q-, -R-, -S-, -T-, -U-, -V-, -W-, -X-, -Y-, -Z-.

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Continuation of NASDAQ NATIONAL MARKET table with sub-sections for -K-, -L-, -M-, -N-, -O-, -P-, -Q-, -R-, -S-, -T-, -U-, -V-, -W-, -X-, -Y-, -Z-.

## AMERICA

Corporate earnings  
lend support to Dow

## Wall Street

US share prices were mixed in moderate trading yesterday morning as more companies reported their first quarter earnings, writes Patrick Harrington in New York.

At 1 pm, the Dow Jones Industrial Average was up 14.59 at 4,358.62. The more broadly based Standard & Poor's 500 was down 0.21 at 449.01, while the Amex composite was up 0.06 at 420.57. The Nasdaq composite put in the worst performance, falling 1.27 to 672.56. Trading volume on the NYSE was relatively light at 150m shares by 1 pm, and rises were running almost neck and neck with declines at 916 to 848 respectively.

In the absence of fresh economic data, and with Treasury prices mostly flat, equity investors looked to quarterly corporate earnings for a lead. Although the reporting season has only just got under way, the early indications are that first quarter profits will be in line with, or slightly better than, analysts' forecasts, with a few notable exceptions.

A good set of first quarter reports is vital to ensure that stock market sentiment remains positive. Recent economic figures, if anything,

have indicated that the pace of the recovery may be slowing down. This may be good news on the inflation front, but it suggests that corporate earnings, which have been steadily improving over the past year, might fall off later in 1993.

Among the day's biggest stories, companies which make well-known consumer products ran into selling after Procter & Gamble announced late on Tuesday that it planned to slash prices on its most popular brand of disposable diapers. Coming on the heels of Philip Morris' recent decision to cut prices on its famous Marlboro cigarette brand, the Procter & Gamble move revived fears that competition for consumer loyalty could hurt once seemingly price-insensitive brand-name products.

Procter & Gamble shares fell more than \$1 at the opening, before recovering to stand unchanged at \$48. Other consumer stocks, however, failed to rally. Colgate-Palmolive was down \$1 at \$61.4, Gillette was \$1.10 lower at \$55.75. RJR Nabisco slipped \$1 to \$54 (a new 52-week low for the stock), and Kimberly-Clark, which is Procter & Gamble's main competitor in the disposable diaper market, dropped \$3 to \$50.75. PaineWebber firmed \$3 to \$28 after the big securities

house reported record pre-tax first quarter income of \$116.3m. Other brokerage stocks were also firmer, with Merrill Lynch up \$1 at \$77, Morgan Stanley \$1 higher at \$65.75, and Bear Stearns up \$1 at \$50.75.

Hotel stocks were mixed on earnings news. Marriott firmed \$1 to \$36.4 after reporting a sharp rise in net income to \$49m, while Hilton fell \$1 to \$48.4 after reporting essentially flat first quarter profits. Digital Equipment jumped \$2 to \$42.5 in volume of 1.3m shares on news that losses at the computer manufacturer had narrowed from \$311m in the fiscal third quarter last year to just \$30m.

## Canada

TORONTO was mixed in moderate midday trading with higher gold shares offset by weakness in utilities and oil and gas issues. The TSE 300 index slipped 0.24 to 3,264.50 in turnover of 354.4m.

American Bancorp Resources rose 0.5% to \$23.37 as bullion futures were helled by speculative buying linked to political tensions in South Africa.

Cott, the bottling company, fell \$1 to \$4.45 after several days of gains which followed the company's fourth quarter earnings figures.

## ASIA PACIFIC

## Hang Seng surges 5.8% to record close

## Tokyo

EQUITIES settled lower as institutional investors and dealers took profits in the afternoon amid active trading, writes Wayne Aponie in Tokyo.

The Nikkei average retreated 206.91 to 20,533.38 after a high of 20,874.71 and a low of 20,470.32. The broader Topix index of all first section issues shed 15.96 to settle at 1,582.80 and, in London, the ISE/Nikkei 50 index rose 3.6 to 1,260.88. Most investors remain bullish, and describe the decline as a temporary break.

Volume was estimated at 850m shares, compared with Tuesday's 784.6m.

Advances edged declines by 539 to 535, with 121 issues unchanged. The Nikkei average is expected to remain its upward trend until it reaches 21,500, which is seen as a resistance level by some chart analysts.

Beyond this level, said Mr Yuchi Matsushita, senior market strategist at Nikko Securities, selling pressure is likely to come from Japanese corpo-

rations which invested in tokkin funds, or specified money trusts, which declined in value last year. Companies, including leading trading houses, are also said to be offloading their "zaiteku" or financial engineering investments.

Large capitalisations stocks lost ground with Nippon Steel, the day's most active issue, easing 7 to 4,022.

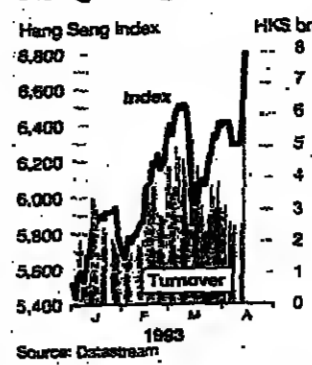
Nippon Telegraph and Telephone lost Y30,000 to close at an intraday low of Y1,040m.

The financial sector suffered broad losses on profit-taking: Sakura Bank shed Y70 to Y1,440, Industrial Bank of Japan slipped Y60 to Y2,640 and the Bank of Tokyo declined Y30 to Y1,310.

Profit-taking also pushed the export sector lower with Sony declining Y20 to Y4,980 and TDK settling down Y20 to Y4,100.

In spite of the session's losses, the government's plan to strengthen its telecommunications infrastructure gave a boost to Tamura Electric Works, the telecom equipment maker, which gained Y30 to

## Hong Kong



Source: Datastream

Y794.

Suzuki Motor benefited from motorcycle demand in China, finishing Y12 higher at Y986.

In Osaka, the OSE average rose 39.72 to close at 22,153.10 in volume of 39.4m shares.

## Roundup

SENIOR Pacific Rim markets trended in record performances. Bombay was closed for a holiday.

HONG KONG surged to a record closing high, with invest-

tors taking the view that a resumption of Sino-British talks on the colony's future was nothing but good news.

The Hang Seng index rose 371.63 or 5.79 per cent to finish at 6,789.74, after an intraday peak of 6,805.66. In subsequent London trading, prices closed at the equivalent of a further 50 point rise in the index.

Hong Kong turnover was also at a record, reaching HK\$7.7bn, compared with a previous high of HK\$6.4bn set last May.

Mr David Bates of Asia Equity in London believes that the market is now poised to breach the 7,000 level on the Hang Seng, and that a successful conclusion to the Beijing talks would take the index up to 7,200.

Among blue chips leading the rise, Jardine Matheson rose HK\$7, or 15 per cent, to HK\$55. The British-controlled trading group has lagged behind the market since Beijing criticised the late last year for supporting the governor's democratic reform drive. HSBC Holdings was the most active stock, adding HK\$4 to HK\$73.50 while

Cheung Kong, the property group, rose HK\$1.30 to HK\$23.70.

AUSTRALIAN stocks finished at a three-year high with the All Ordinaries Index adding 15.7 to 1,704.4 in turnover of A\$310.1m.

Hong Kong's strong showing provided some stimulus while metal stocks came to the fore on hopes that Japan's economic recovery package would improve demand. Among mining stocks, BHP gained 7 cents to A\$2.24 and BHP climbed 14 cents to A\$15.08.

SINGAPORE closed higher in record volume of 431.79m shares. The Straits Times industrial index rose 15.10 to 1,708.61 in brisk trading of Malaysian shares.

SEOUL, however, saw aggressive profit-taking across the board after the recent bull run and the composite index fell 15.60 to 704.92 in turnover of Won887.7bn.

The mood was unsettled by the resignation of the president's top aide which triggered concern that discontent in the ruling party might lead to political unrest.

## EUROPE

## Sentiment varies as Swiss exporters decline

MOODS varied among bourses yesterday, as strategists continued to look for a new theme after the strong European performance in the first quarter, writes Our Markets Staff.

ZURICH was led lower by exporters in response to the weak dollar. The SMI index shed 16.10 to 2,165.77 with the fall limited by a firm financial sector, still hoping for lower interest rates.

"The decline does seem to be rather an over-reaction to the weaker dollar," said Miss Felicity Smith at Hoare Govett in London. "But trading volume was fairly low, which may indicate that prices were being marked down by local traders rather than as a result of institutional selling."

Among exporters, Ciba-Geigy bearers, Sfr10 lower at Sfr637, were actively traded. Analysts suggested that the fall had more to do with currency considerations than the group's announcement of a 4 per cent fall in first quarter sales.

Sandoz, the chemical and pharmaceutical group, shed Sfr40 to Sfr2,910, the uncertain outlook for US sales continuing to weigh on the shares. Nestlé, still suffering from US doubts about the value of brands, saw its bearers fall Sfr20 to Sfr1,145.

PARIS took time off after Tuesday's strong performance, although leading banks shaved 25 basis points off base rates following an easing in the repo rate. The CAC-40 index eased 2.65 to 2,015.43 in turnover of FF2.06bn.

There were mixed feelings in the financial sector, with Paribas gaining FF1.40 to FF426.30 and Société Générale losing FF4 to FF640.

## SOUTH AFRICA

JOHANNESBURG marked gold shares down in relatively thin trade, anticipating US selling after yesterday's mass stayaway. The gold index lost 51, or 4.2 per cent, to 1,187 in spite of a stronger gold price and a weaker financial rand. The overall index was 31 points lower at 3,498 with industrials, finding support from rand-hedge shares, losing only 13 to 4,340.

Bermuda plans focus on  
Hong Kong and insurers

Much play is being made of its possibilities as an offshore equity market, writes Richard Lapper

Financiers in the tiny island of Bermuda are moving ahead with plans to upgrade operations at the local stock exchange, in a bid to establish a new centre for international equity trading.

Local banks, which still own the exchange, are hoping to develop the island as a shadow of the Hong Kong stock market, taking advantage of the fact that over 100 Hong Kong companies have already registered there.

Much play, too, is being made of the island's possibilities as a centre for trading in the shares of new offshore international insurance companies, which have made their domicile in Bermuda in recent years.

"We would be the only international offshore stock exchange in the western hemisphere," says Mr Charles Vaughan-Johnson, executive vice-president at the Bank of Bermuda. "You can see the potential if it becomes fully modernised. For those who don't want to be in Luxembourg [a rival international centre], it will have enormous appeal."

Mr Vaughan-Johnson's vision is an ambitious one. Only 26 equity issues (including common and preference shares), and four note and bond issues are currently traded on the exchange. Over a dozen other mutual funds are listed but not traded. Capitalisation amounts to a respectable \$802m according to Mr Bill Dolan, a manager at the Bank of Bermuda, who has been co-ordinating the modernisation effort.

But a handful of stocks, notably the Banks of Bermuda and Butterfield, Bermuda Telephone and Bermuda Electric Light, account for the lion's share. The two banks alone have a capitalisation of more than \$48m between them.

Nevertheless the banks are optimistic and can point to real progress in the last few months. In February this year

Local banks are hoping to develop the island as a shadow of the Hong Kong stock market, taking advantage of the fact that over 100 Hong Kong companies have registered there.

Bermuda finally scrapped its system of weekly trading. This had centred on the "open cryer" method involving the three banks that own the exchange: the Banks of Butterfield and Bermuda, and the smaller Bermuda Commercial Bank.

Each Tuesday three numbered plug pong balls were drawn by bank representatives to establish the order in which they would make their bids that week.

The banks are still the only members but screen-based trading, conducted over the telephone, was introduced on February 24, with the index rebased to 1,000. Two months on the index has dipped to 982.69, with trading generally within a narrow range.

Mr Dolan is currently reviewing the exchange's constitution, with a view to estab-

lishing a new incorporated entity, easing membership rules and bringing the exchange within the supervisory authority of the Bermuda Monetary Authority.

Immediate objectives include efforts to persuade managers of over a hundred mutual funds currently registered in Bermuda to list on the exchange. In the medium term Mr Dolan is aiming to introduce an electronic settlement system, in order to increase efficiency.

In the long-term, however, prospects are closely linked to the island's future as the favoured offshore centre for both Hong Kong companies and the insurance business.

Jardine Matheson, the trading company, was one of the first Hong Kong companies to register in Bermuda in 1984, and some 130 Hong Kong companies have followed suit. More recently the growth of a number of offshore insurance and reinsurance companies has opened up another opportunity.

Since 1985 three companies which between them have net assets of over \$2bn have been established in Bermuda. Of these, ACE and EXEL were originally owned by the large US corporations whose liability risks they insure, but both have launched successful share issues in New York within the last two years while a third, Centre Re, is planning to follow suit. Within the last six months two more companies - Mid Ocean and Underwriting Capital (Merrett) - have also been formed in Bermuda, and more new ventures are expected.

## FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited  
In conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	TUESDAY APRIL 13 1993										MONDAY APRIL 12 1993										DOLLAR INDEX	
	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	% chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1993 High	1993 Low	Year ago (approx)						
Figures in parentheses show number of lines of contract																						
Australia (85)	141.75	+2.4	134.80	101.56	118.37	131.47	+1.6	3.78	138.45	132.69	98.72	114.70	129.34	141.75	117.39	143.87						
Austria (18)	147.51	+2.1	140.28	105.69	121.09	121.26	+0.7	1.87	144.43	138.42	102.98	116.85	120.36	150.96	131.16	168.25						
Belgium (42)	158.75	+2.1	149.07	112.31	128.89	125.44	+0.1	4.57	153.80	147.21	109.51	127.25	125.32	158.75	131.19	173.38						
Canada (115)	122.64	+0.1	118.03	87.87	103.67	111.89	+0.2	2.87	122.77	117.86	87.53	107.70	112.07	125.97	111.41	123.96						
Denmark (53)	211.48	+1.3	201.10	151.51	173.59	174.36	+0.4	1.32	208.99	200.01	148.51	172.88	173.73	211.48	188.11	231.61						
Finland (23)	83.93	+2.1	79.82	60.14	88.80	89.30	+0.4	1.25	82.17	78.75	68.59	86.08	89.93	83.93	65.50	74.63						
France (86)	167.38	+1.8	159.15	118.91	137.38	140.18	+0.8	3.20	164.34	157.80	117.17	138.13	138.07	167.38	142.72	156.26						
Germany (82)	113.86	+1.8	111.14	83.74	95.93	95.83	+0.3	2.21	114.74	109.97	81.89	85.01	85.06	113.86	101.52	108.10						
Hong Kong (55)	258.53	+2.1	243.96	183.80	210.80	254.66	+2.1	3.63	251.30	240.85	179.18	208.20	248.48	282.08	218.82	203.18						
Ireland (15)	188.33	+3.4	181.03	121.33	138.01	154.33	+2.5	3.43	183.78	168.87	118.78	135.69	150.53	188.33	128.28	158.43						
Italy (73)	63.47	+2.3	60.36	45.48	52.10	72.19	+0.1	2.78	62.04	59.46	44.23	51.40	72.28	64.28	53.78	70.17						
Japan (470)	141.84	+0.0	134.88	101.53	118.45	101.83	+0.3	0.92	137.71	131.98	98.18	114.10	98.18	141.84	100.75	98.78						
Malaysia (18)	283.40	+0.5	279.02	210.21	240.85	281.37	+0.5	2.30	284.83	282.59	210.21	244.25	282.73	284.83	251.58	228.65						
Mexico (109)	167.12	+0.3	159.41	119.40	138.57	164.87	+0.4	1.08	166.71	159.88	119.40	137.88	162.93	175.81	141.03	167.86						
Netherlands (24)	172.75	+1.1	164.28	123.77	141.81	159.81	+0.2	3.18	163.86	157.78	141.50	130.63	157.78	172.75	150.29	162.68						
New Zealand (13)	46.77	+0.7	44.47	33.51	38.39	44.86	+0.5	4.77	46.44	44.51	33.11	38.47	45.84	47.03	40.58	43.02						
Norway (22)	158.26	+1.1	150.51	113.40	129.92	144.25	+0.6	1.83	158.02	150.01	111.61	129.67	144.18	158.26	137.71	187.25						
Singapore (26)	228.00	+0.1	218.61	163.42	187.84	220.40	+0.2	1.97	223.28	218.79	162.77	189.12	217.82	231.24	207.04	187.91						
South Africa (90)	186.73	+4.8	180.46	120.96	138.51	173.52	+2.0	2.80	177.50	170.12	126.56	147.05	177.11	178.48	144.72	224.58						
Spain (45)	131.72	+2.0	125.28	94.38	108.13	113.76	+1.1	5.33	129.18	123.78	82.10	107.00	112.50	131.72	115.23	148.52						
Sweden (39)	188.58	+1.8	187.27	118.50	135.77	151.91	+0.3	1.85	188.02	183.78	115.89	134.86	181.44	188.58	146.70	183.40						
Switzerland (58)	121.48	+1.0	115.54	87.05	98.75	108.54	+1.2	2.18	120.33	115.32	85.80	98.70	108.13	121.48	108.91	99.10						
United Kingdom (219)	179.22	+1.8	170.43	128.40	147.11	170.43	+0.8	4.05	176.37	169.03	125.75	146.10	168.03	179.22	158.00	184.14						
USA (518)	183.44	+0.3	174.45	131.44	150.80	183.44	+0.3	2.77	182.96	175.35	130.46	151.58	182.96	183.44	175.38	167.99						
Europe (768)	147.81	+1.7	145.57	105.81	121.93	132.91	+0.8	3.37	145.98	138.34	106.67	120.46	132.07	147.81	133.92	148.80						
Asia (114)	154.14	+1.4	151.44	103.59	120.59	131.47	+1.2	1.86	154.44	147.86	110.02	127.83	135.10	154.84	142.13	171.58						
Pacific Basin (713)	145.00	+2.8	137.89	103.89	110.83	107.14	+3.2	1.81	145.00	137.89	103.89	110.83	107.14	145.00	137.89	103.89						
Euro-Pacific (174)	145.03	+2.8	138.87	104.82	118.87	118.22	+2.2	2.05	142.89	138.74	103.71	118.20	115.72	146.03	117.26	151.59						
North America (629)	178.98	+0.2	170.96	128.74	147.51	178.59	+0.2	2.78	178.22	171.78	127.80	148.50	178.18	182.38	171.51	185.59						
Asia-Pacific (247)	145.17	+2.7	142.71	103.47	110.83	107.14	+3.2	1.81	145.00	137.89	103.89	110.83	107.14	145.00	137.89	103.89						
Pacific-Euro (245)	178.52	+1.8	167.87	126.50	144.83	160.36	+1.3	3.39	173.79	169.56	123.96	143.15	169.56	178.52	160.36	185.59						
World Ex. US (1567)	148.39	+2.2	139.22	104.90	120.18	120.03	+2.0	2.07	143.90	137.34	102.19	115.72	117.65	148.39	118.51	122.12						
World Ex. US (1567)	148.39	+2.2	139.22	104.90	120.18	120.03	+2.0	2.07	143.90	137.34	102.19	115.72	117.65	148.39	118.51	122.12						
World Ex. So. Am. (218)	157.89	+1.5	150.14	111.81	129.12	138.24	+1.4	2.21	155.50	149.12	112.86	125.87	146.67	157.77	134.22	132.19						
World Ex. Japan (1719)	186.09	+0.7	185.26	120.45	128.01	160.53	+0.4	3.00	186.88	186.16	119.89	132.38	158.87	186.09	157.47	159.50						
The World Index (2185)	157.83	+1.4	150.09	113.05	129.57	136.59	+1.3	2.34	155.63	149.12	110.87	129.94	137.78	167.83	137.32	136.02						